Odd Lots

B^E your own Investment Trust by purchasing a few shares of the leading investment stocks in each Industry with a promising future.

In this way you derive the benefit of the Investment Trust idea without paying a premium for it.

The many advantages of diversification are explained in our interesting Odd Lot Trading Booklet.

Ask for M. W. 319

100 Share Lots

Curb Securities Bought or Sold for Cash

John Muir & Co.

50 Broadway

Members {New York Stock Exchange New York Cotton Exchange Associate Members: New York Curb Market

New York

How to Invest \$1,000

Through Our

Partnership Group Plan

No matter what may be the amount of your surplus funds—\$1,000 or upwards—you are entitled to maximum safety, the highest possible yield and the opportunity to realize substantial appreciation of your principal.

Our Partnership Group Plan fully meets these requirements. Through this method of investing you may become a partner in 141 Companies consisting of 30 of the Nation's strongest banking institutions, the 9 leading banks of Canada and 102 outstanding American industrial, railroad and public utility corporations. To purchase in the open market a share of each of the stocks represented in this group would cost over \$50,000. Our Plan makes it possible for you to obtain a participating interest in all of these securities for an investment of \$1,000 and multiples thereof.

A Safe and Profitable Investment, Yield About 61/4%

SEND COUPON FOR PLAN

Send me complete details of your Partnership Group Plan G-88

Name Address

UNITED STATES SHARES CORPORATION

50 Broadway, New York

Telephone Bowling Green 0290

We recommend

KEYSTONE WATER WORKS CORPORATION

Convertible 6% Debentures

Price to yield 6%

The Company's subsidiaries render, without competition, an indispensable service to 34 communities.

Descriptive circular upon request

A.B.Leach&Co.,Inc.

57 William St., New York 39 So. La Salle St., Chicago

Boston St. Louis Philadelphia San Francisco Buffalo Seattle

STANDARD O I L ISSUES

CONTINENTAL OIL

10-YEAR 54% DEBENTURES

FOR INVESTMENT

CARL H. PFORZHEIMER & CO.

Specialists in Standard Oil Securities

25 Broad Street New York

Phone Hanever 5484

Member Audit Bureau of Circulations

CONTENTS

Vol. 41 No. 5

December 31st, 1927

The Ticker Publishing Co. is affiliated with no other organization or institution whatever. It publishes only The Magazine of Wall Street, issued bi-weekly, and the Investment and Business Forecast, issued weekly

INVESTMENT AND BUSINESS TREND	407
The End of Agricultural Deflation, by Theodore M. Knappen, with an exclusive statement by W. M. Jardine, Secretary of Agriculture	409
Effect of Gold Exports on Money, Business and Securities, by H.	
Parker Willis	
Myers	
Have Oil Shares Seen Their "Bottoms"? by Arthur M. Leinbach	
The Function of Tape Reading in Modern Markets	
The New Ticker System	421
PUBLIC UTILITIES	
Commonwealth Power Corporation, by J. T. Moll	422
Hudson & Manhattan Railroad Co., by G. F. Mitchell	
BONDS	
	400
Bond Buyers' Guide	422
RAILROADS	
42 Roads Compared as to Sources of Revenue and Type of Freight	
Carried	42 6
INDUSTRIALS	
What the Investor Should Look for in Appraising New Listings on	
the Stock Exchange, by Robert E. Stanlaws	428
Comparison and Rating of 16 Market Groups	
Childs Co., by Horace Dolin	
Outlook for Leading Sugar Producers, by Ferdinand Otter	
	733
BUILDING YOUR FUTURE INCOME	
What Investments Really Earn	
How to Analyze Your Investment Holdings	
Practical Pointers for the Prospective Home Builder, by G. E. Landt Insurance Thrift Plans Make Savings Compulsory, by Herman L.	
Richter	
TRADE TENDENCIES—Prospects Favorable for New Year Answer to Inquiries	
Income Tax Department, conducted by M. L. Seidman	
New York Stock Exchange Price Range of Active Stocks	
Securities Analyzed in This Issue	
Magazine of Wall Street's Common Stock Price Index	
Market Statistics	462
New York Curb Market	
San Francisco Stock and Bond Exchange	
Important Dividend Announcements	
Important Corporation Meetings	4/2

Copyrighted and published by the Ticker Publishing Co., 42 Broadway, New York, N. Y. C. G. Wyckoff, President and Treasurer. E. D. King, V.-Pres. and Managing Editor. Victor E. Graham, V.-Pres. and Advertising Manager. The information herein is obtained from reliable sources, and, while not guaranteed, we believe it to be accurate. Single copies on acwastands in U. S. and Canada, 35 cents. Place a standing order with your newadealer and he will secure copies regularly. Entered as second-class matter January 30, 1915, at P. O., New York, N. Y., Act of March 3, 1879. Published every other Saturday.

SUBSCRIPTION PRICE, \$7.50 a year, in advance. Foreign subscribers please send international money order for U. S. Currency, including \$1.00 extra for postage (Canadian 50 cents extra).

TO CHANGE ADDRESS—Write us name and old address in full, new address in full, and get notice to us three weeks before issue you desire sent to the new address. EUROFEAN REPRESENTATIVES: The International News Company, Ltd., Breams Building, Loncon, E. C. 4, England.

H. M. Byllesby and Co.

INC



Underwriters, Wholesalers and Retailers of Investment Securities —Specialists in Public Utilities

CHICAGO 231 So. La Salle Street NEW YORK 111 Broadway

BOSTON MINNEAPOLIS

PHILADELPHIA ST. PAUL PROVIDENCE KANSAS CITY DETROIT DES MOINES

Direct Private Wires - Chicago - New York - Boston - Philadelphia



INVESTMENT TRUST SHARES

Series A (with reserve)

Series B (without reserve)

Chicago Trust Company

Safety with certain income is a factor of desirability. Through wide diversification among industries of economic importance with available records of prosperity the certainty of earnings as well as the safety of principal invested is soundly established. The fact that all the stocks forming the security for these Shares are in a position of leadership upon the New York Stock Exchange is an indication of their high character.

Write for Booklet

PRUDENTIAL COMPANY

111 W. Washington Street CHICAGO



42 BROADWAY NEW YORK

Special Announcement

To show our appreciation of your help in making a 100% success of our 20th Anniversary Campaign to secure one or more new readers through each present subscriber, C. G. Wyckoff, publisher of The Magazine of Wall Street, has requested the Circulation Department to make you the following Special Offer:

Renewal of your annual Subscription to The Magazine of Wall Street for one year from your present expiration date.

Regular Price \$7.50

A New or Gift Subscription to The Magazine of Wall Street for one year starting at once or with the Christmas Number.

Regular Price \$7.50

Total \$15.00

Both for \$10

Saves You \$5 den

edl;

nat

DEC

Both Subscribers are entitled to full privileges of our Personal Inquiry Service. A beautiful Gift Card will be sent to the recipient of the Gift if you desire.

Subscribers to take advantage of this offer must use the coupon below.

Fill out and mail at once.

SPECIAL \$10 OFFER COUPON

C. G. Wyckoff, Publisher,
THE MAGAZINE OF WALL STREET,
42 Broadway, New York City.

Date

You can count on me to help extend the service of THE MAGAZINE OF WALL STREET. Enclosed find check for \$10.00. Extend my annual subscription for one year from expiration date and enter a new subscription as per name and address given below. I understand this entitles both of us to full privileges of your FREE PERSONAL INQUIRY SERVICE.

Renewal

New or Gift Subscription

Name

Address

Address

Shall we send a gift card \square —start Gift Subscription at once \square —or with Xmas Number \square ? Canadian postage 50c per year extra per subscription;—Foreign Postage \$1.00

Dec. 31-1



Subjects to be Covered in This Publication During 1928



OWARD the close of the year, it became evident that a totally new set of conditions in addition to some of those which operated in 1927 would

have to be considered in estimating financial and business possibilities for the coming year. Among the most important of these is the political situation. With the elimination of President Coolidge from the Presidential campaign, the way is opened to political manipulation and the uncertainties to which this may give rise. Politics will undoubtedly blow hot and cold and the national sentiment will be affected accordingly. We expect therefor to cover political developments of importance.

Another factor of consequence which may affect security conditions is the money situation. Owing to conditions too varied to enumerate here, it seems that rates for money will be on a fully noted in this publication. higher plane than during the past Foreign trade conditions will year. This factor will be closely watched and readers apprised of any important pending changes.

The fate of railroad consolidation may be settled during the next year. This will have a pronounced effect on railway security values.

The oil industry is at a critical point. Events will transpire to place the entire group of oil securities in a more interesting position than for years.

The automobile and allied industries face probably the most active period of their history. Constant attention will have to be paid to changing conditions in the industry.

The commodity price outlook is more than usually important because it is possible that speculation in securities may spread over into the commodity markets. These possibilities will be care-

assume more than usual importance and the same may be said of foreign financing and foreign securities. We shall cover such situations to an even greater extent than formerly.

Industries in a specially favored position will continue to make progress regardless of general conditions and the same is true of certain groups of securities. These security opportunities will be regularly brought to the attention of our readers.

In brief, the above is but a partial outline of the types of subjects to be covered in next year's MAGAZINE. We promise our most indefatigable efforts to secure the most important information on subjects relating to the manifold financial and business interests of our readers and to present them in sufficient time to be of definite value.

In Next Issue

Annual Forecast Number

Eight Probable Market Leaders in 1928.

- The Outlook for Bonds and Preferred Stocks.
- Position and Prospects for Leading Railroad Shares-with table giving data and comment on 20 listed stocks.
- Position and Outlook for Leading Public Utility Shares-with table giving data and comment on 20 listed stocks.
- Position and Outlook for Leading Mining Shares-with table giving data and comment on 20 listed stocks.
- Position and Outlook for Leading Industrial Shares—with tables giving data and comment on over 50 listed stocks.
- -Many other features of great importance and bearing on the future of business and money in the coming year.

150,000 Shares

Loew's Incorporated

\$6.50 Cumulative Preferred Stock

(With Stock Purchase Warrants)

The \$6.50 Cumulative Preferred Stock is to be preferred over the common stock as to cumulative dividends at the rate of \$6.50 a share per annum, and as to assets, in event of liquidation, at \$105 a share and accrued dividends; is to be redeemable as a whole or in part on any dividend date, on thirty days' notice, at \$105 a share and accrued dividends payable quarterly on February 15, May 15, August 15 and November 15, accruing on this issue from November 15, 1927, and free of the present Normal Federal Income Tax. Preferred Stock authorized 300,000 shares, without par value; preferred stock in addition to the above 150,000 shares may be issued in one or more series, under restrictions, as to be provided in the amended certificate of incorporation. The National Park Bank of New York, Registrar. Dillon, Read & Co., Transfer Agent.

Each certificate of this issue of \$6.50 Cumulative Preferred Stock will carry a warrant, detachable after July 1, 1928, entitling the holder thereof to purchase, on or before April 1, 1931, common stock in the ratio of one share of common stock for each two shares of preferred stock represented by such certificate, at \$75 a share on or before April 1, 1929, and at \$80 a share thereafter to and including April 1, 1931.

The company has agreed to make application to list this issue of preferred stock on the New York Stock Exchange

The following information has been summarized by Mr. Nicholas M. Schenck, President of Loew's Incorporated, from his letter dated December 15, 1927, copies of which may be obtained upon request, and is subject to the more complete information contained therein:

Loew's Incorporated, a holding company, is one of the largest and most prominent factors in each of the three divisions of the motion picture industry—namely, production, distribution and exhibition. The company has shown substantial net profits in each year since organization in 1919, and is the outgrowth of amusement enterprises which have been successfully operated since 1905.

Through subsidiary and affiliated companies, Loew's Incorporated owns, leases or directs a chain of 115 theaters in the United States and Canada, not including 8 theaters now under construction in this country. Many of these theaters are the largest and most favorably located in their respective cities. This is in keeping with the company's policy of theater operation, which has been to construct or acquire theaters of large seating capacity centrally located in the principal cities of the United States. Foreign operations include the control of theaters in various European capitals, and the distribution of films throughout the world. The number of cash admissions to the company's chain of theaters during the fiscal year ended August 31, 1927, was over 100,000,000.

Metro-Goldwyn Pictures Corporation, a wholly-owned subsidiary company, ranks as one of the world's leading motion picture producing companies and has built up a high reputation for the popularity and artistry of its productions. It has been its policy to produce a limited number of feature pictures in each year, employing the best stars and directors obtainable. Film costs have been written off at a rate which absorbs 87% of the cost of each film in one year from the date of general release. Among its recent outstanding pictures, known to the public as Metro-Goldwyn-Mayer productions, have been "The Big Parade", "Ben Hur", "Student Prince", "Quality Street" and "Garden of Allah".

EARNINGS

Consolidated results of operation of Loew's Incorporated and its wholly-owned subsidiary companies, including dividends received from affiliated companies, for the six fiscal years ended August 31, 1927, have been certified by Messrs. Philip N. Miller and Company, certified public accountants, who have regularly audited the accounts of the company since its organization, as follows:

Fiscal years ended August 31	Earnings before interest, after depreciation and Federal income taxes as accrued	Interest on subsidiaries' debt	Dividends on subsidiaries' preferred stock	Interest on debt of Loew's Incorporated	Consolidated net earnings after all charges
1922	\$2,585,001	\$339,680	\$	\$ 10,000	\$2,235,321
1923	2,868,461	456,225		12,998	2,399,238
1924	3,535,338	530,914	78,174	47,897	2,878,353
1925	5,762,072	654,886	310,186	88,369	4,708,631
1926	7,774,386	736,461	308,559	341,166	6,388,200
1927	8.363,504	732,983	333,220	560,096	6,737,205

Consolidated net earnings of \$6,737,205 for the fiscal year ended August 31, 1927, as shown above, were 6.9 times the maximum annual dividend requirement of \$975,000 on this issue, and for the six-year period shown averaged over 4 times such dividend requirement.

Consolidated net earnings for the fiscal year ended August 31, 1927, as shown above, without allowing for dividends on this issue of preferred stock and giving no effect to benefits from the additional capital obtained through this financing, were equal to \$6.35 a share on the common stock now outstanding.

COMMON STOCK

Based on current quotations on the New York Stock Exchange, the indicated market value of the company's common stock, of which 1,060,910 shares* are now outstanding, is approximately \$60,000,000.

mon stock, of which 1,060,910 shares* are now outstanding, is approximately \$60,000,000. Quarterly dividends have been paid on the company's common stock at the rate of \$2 a share per annum since December 30, 1923. Extra dividends of \$1 a share were declared on the common stock in 1926 and in 1927.

"In addition to shares of common stock now outstanding, 104,870 shares are now reserved for purchase under outstanding stock purchase warrants, on or before April 1, 1931, at \$55 a share, and 90,000 shares are to be reserved against stock purchase warrants, for purchase at the prices indicated above, to be issued in connection with this financing. The present capital stock of the company is referred to above as common stock.

We offer this \$6.50 Cumulative Preferred Stock, with stock purchase warrants atlached, for delivery if, when, and as issued and accepted by us, subject to the approval of stockholders and of legal proceedings by counsel. It is expected that delivery will be made on or about January 4, 1928, in the form of temporary stock certificates and warrants of the company or interim receipts of Dillon, Read & Co.

Price \$100 per share and accrued dividend. To yield 61/2%

Dillon, Read & Co.

Blyth, Witter & Co.

A. G. Becker & Co.

DECE



C. G. WYCKOFF
PUBLISHER

E. D. KING MANAGING EDITOR

INVESTMENT & BUSINESS TREND

The St. Louis & O'Fallon Decision—Foreign Exchange Situation—Steel Prospects for 1928—Sensible Market Procedure—The Question of Bonds—Market Prospect



HE Federal Court's decision in the St. Louis-O'Fallon case upholding the contention of the Interstate Commerce Commission that valuations of railway properties be based on 1914 values, while disappointing

to holders of rail shares, nevertheless has the value of bringing a final conclusion on this important question much nearer in prospect. The decision will be appealed and argued before the Supreme Court. As a matter of fact, according to some interpreters the Federal Court did not pass on the question of valuation, seemingly leaving this open to the jurisdiction of the highest Court. A difference of some eleven billion dollars is involved between the valuations tentatively fixed by the Interstate Commerce Commission and those proposed by the railways themselves. While the specific issue concerns the question of recapture of earnings by the Government over the 6% theoretically permitted the carriers, the vastly more important phase of this question involves the entire basis of valuation which would in turn involve the rate situation. It is estimated that if the railroads' idea of valuation is finally allowed, it would open up the possibility of a half billion dollar yearly increase in rates. The stupendous importance of the St. Louis-O'Fallon case accepted by both parties as a test case, may be appreciated from the foregoing figures. It is not possible in any way to forecast final decision by the Supreme Court but in the case of public utility valuation it showed

that it would not hesitate to upset the lower valuation theory and substitute instead a basis of fair valuation. The railroads claim, not without justice, that to base railway valuation on 1914 values would mean con-The Supreme Court has hitherto fiscation. shown a disposition in public utility valuation cases to grant a basis of reasonable value and hence rates that would permit a reasonable return on invested capital. It would be a distinct surprise and shock were they to depart from their policy in this respect. From the purely market viewpoint, the St. Louis-O'Fallon decision proved depressing and may act as a wet blanket on share values for a time. This influence, however, should ultimately give way to the fundamentally favorable factors still operating on the railroad shares.



FOREIGN EXCHANGE Since July, foreign exchanges, especially those of Europe,

have been strong. Some of the currencies have arrived at a point, making it profitable to ship gold from the United States. Sterling has been especially strong, reaching prices not seen in many years. It is claimed that the strength in sterling is due to demand for sterling bills by European and other countries. At the same time, it must be considered that the exchanges of those countries which are buying sterling bills, are also moving up. The fact seems to be that



Business, Financial and Investment Counselors
"Twenty Years of Service"



The MAGAZINE of WALL STREET

the low interest rate policy of the Federal Reserve Board is responsible for the increase in exchange values. Money rates at home are lower than in practically all other countries with the result that short-terms funds are flowing in volume from the United States to Europe. As long as this movement continues, it may be expected that foreign exchange will remain strong. The question is what effect would there be on exchange rates if the Federal Reserve Board, due to excess security speculation at home and rising demand for funds from commercial sources, saw fit to eliminate the present artificially low money rate situation. This latter possibility is something that may materialize in the not distant future.

nes

HE recent advance in

NDER the impetus

STEEL PROSPECTS

unfilled orders for the U.S. Steel Corporation is indicative of a change for the better in the industry. Automobile demand for steel is increasing and there are distinct prospects for better business from the railroad equipment industry which has not been much of a factor in steel for several years. Railroads while not buying as much as in recent years are nevertheless turning in substantial orders. Building demand continues satisfactory. It is confidently expected that steel production, as a result of these factors. will increase rapidly during the first quarter of 1928 with prospects that the second quarter will prove equally successful. Prices for steel products are low but show a slightly rising tendency.

neks

MARKET PROCEDURE

of pronounced pool movements which have elevated the prices of many speculative issues far beyond any reasonable value, the public has been coming into the market in great numbers. The atmosphere of the market is distinctly speculative with little or no thought given to fundamental considerations. Under cover of successful pool manipulation, considerable distribution is going on. In similar markets of the past, unfortunate buyers who acquired the more speculative types of issues at record prices were left "holding the bag." It is probable that the same result will be encountered this time. It would seem sensible procedure to limit speculative transactions only to those stocks of assured value and whose price has not outrun such value by any considerable extent. The investor should not allow his

sense of proportion to leave him at this time and should stick to the sound investment issues, reserving only a small part of his capital for speculative effort.

nees

WHAT ABOUT BONDS?

ITH bonds at a new record peak, the

p e a k, the problem of the investor has become more acute than ever. High-grade issues offer less than 5% and the average yield on gilt-edge bonds has sunk to about 4½%. Bond prices, of course, are inextricably woven together with the outlook for money rates. Up to the present, they have been benefiting from extraordinarily low rates. It is not without the realms of possibility, however, that rates may temporarily stiffen. In that case, bond prices would react somewhat. For the longer-range future, however, the outlook favors low money rates and, hence, sustained high levels for bonds. Investors holding bonds over a period of years should not be tempted to dispose of them at these prices merely to accept profits unless they definitely plan to repurchase after a slight reaction. Otherwise, they risk losing their position and being compelled to invest in other issues no more attractive.

nes

MARKET PROSPECT THE action of the market during the past two weeks indicates

that it has entered a distinctly speculative stage. A number of issues have been rushed up to exceedingly high prices mainly on account of public enthusiasm, aided no doubt by the covering efforts of unhappy shorts. The public is in the market for "anything that will move" regardless of value or other fundamental considerations. The enormous turnover also suggests heavy public participation. In the search for speculative issues, securities of investment value have been neglected. This is particularly true of railroad and public utility issues which in many cases are selling on a sound basis. It is in these two fields mainly and in a selected number of reasonably priced industrial issues that the soundest opportunities exist. Investors should be warned against following up the advance in the speculative issues, particularly these selling at high prices. The market's technical position has been weakened through the past series of speculative advances and a corrective reaction is to be expected.

Tuesday, December 27, 1927.

المالية المالية

tinue

has

mino

of th

Th

howe

Perh

perir

bills,

over.

proxi

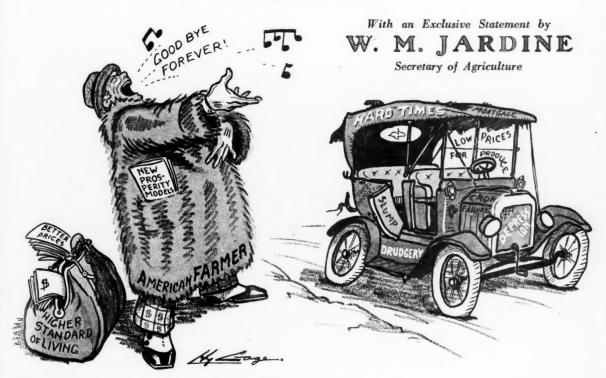
pay deepl

begin

for I

The End of Agricultural Deflation

By THEODORE M. KNAPPEN





MERICAN business has been so prosperous whilst agriculture has been depressed that there has been a tendency to ignore the agricultural situation in forecasting the future. If the country as a whole could bask for six years in the sunlight of unprecedented prosperity, while agriculture was wretched, why could not the contrast con-

tinue indefinitely? has been an often asked question. It has been suggested that agriculture has become such a minor factor in the national whole that the ups and downs of the farmers are no longer important elements in the sum total of our economic life.

The recession of business in the last few months has, however, caused much questioning of this urban theorizing. Perhaps, it is now suggested, the country has been prospering partly because the farmers have been paying the bills, and that that enforced sacrificial period is about over. As the index of farm product prices begins to approximate the general commodity index, robbing Peter to pay Paul approaches its period. As the farmer dips more deeply into the general trough, there is less for the "gluttons" who have held him back in the past. And now there is a tendency to ask anxiously whether he may not soon begin to fill up the trough. After all, it is remarked, the

50,000,000 rural people who live on the farms and in the small country villages, are 40% of the American population, and that if their consumption of manufactured goods should increase by even a small percentage it would have a vivifying influence on commerce and industry.

vivifying influence on commerce and industry.

What is the outlook? Is the farmer getting into a freer spending position than he has occupied during recent years? In particular how does he fare in the Northwestern states, for so many years the very fountain of agricultural prosperity but so depressed since 1921. The answers are to be found, first of all, in the quantity of farm products; secondly, in their price; and thirdly, in their purchasing power.

The wheat crop of 1927 was 867,000,000 bushels—59,000,000 bushels above the 1922-26 average and 34,000,000 bushels above the 1926 crop. This was achieved despite a smaller winter wheat crop. The yield per acre was 14.8 bushels—a point above that of 1926 and five points above the preceding five-year average. It was, however, grown on about 2,000,000 acres more than in 1926, and also for the five-year average.

The average price paid to the farmer for wheat as a whole is considerably less than a year ago; in October it was generally about eight cents a bushel less. The crop is large enough to be on an export basis and the world crop

is large. As a whole, wheat may not yield the farmers any more than the smaller 1926 crop.

The spring wheat crop, which is mainly raised in the Northwestern states, has a far better story to tell than wheat as a whole. The crop was 314,000,000 bushels as against 205,000,000 bushels in 1926 and 252,000,000 bushels

in the average of the five years immediately preceding. Moreover, it is largely of good quality; and its high protein content has been bringing much of it a premi-Northwest where, as pointed out in this article, um price-as much as 65 economic conditions are steadily bettering. Among cents a bushel over the Dethe companies whose securities should be favorably cember future. The price has averaged considerably affected are some of the rails like Great Northern, less than in 1927, and the Northern Pacific, Chicago Northwestern, St. Paul, durum part of it has sold for Rock Island; among the utilities, Electric Light & as much as 42 cents lower. Montana, hit the hardest of all the wheat states in the twilight years for agriculture following 1920, came to the front with the greatest wheat crop in its his-

tory, 72,000,000 bushels.

With 93% of this crop in the high grades and the protein content exceptionally high, it is probable that Montana has scored the highest quality record in the raising of wheat on the American continent. The yield per acre for so large an area -more than 3,000,000 acres-has seldom been exceeded. At the November 15 farm price of 95 cents a bushel the 1927 wheat crop is bringing Montana \$68,000,000. Last year's crop brought only \$45,000,000. In addition Montana has 5,000,000 more bushels of oats this year than last; 2,000,000 more of corn; a million more of wonderful barley; 1,500,000 more of potatoes; nearly a million more tons of hay; better than another million of flax, and more beans, more sugar beets, more rye, better pasture. The crop earnings of the state may go to \$200,000,000; last year they were only \$115,000,000.

While North Dakota could not rival Montana's better than twenty bushels of wheat to the acre, its much larger acreage gave it about twice as large a crop-125,000,000 (77,000,000 last year) bushels-of almost as good quality. On the basis of the November 15 wheat price at the farms, of \$1.03 a bushel, this crop alone brings \$129,000,000 into North Dakota, as compared with \$90,000,000 final official estimate for last year. The corn crop was about 2,000,-000 bushels less than last year, but worth 20 cents a bushel With 46,000,000 bushels of oats, the crop was 11,-000,000 larger than in 1926.

The barley production of 43,000,000 was almost twice as large, the flax crop 60% larger, the hay crop larger by 1,400,000 tons. The rye crop was 23,000,000 bushels, against 9,000,000 in 1926. Corn, oats, barley and rye are higher than a year ago; flaxseed and hay are off a little. Hypothetically every important crop in the state brought in much more money than in 1926, when the total crop value was put at \$191,000,000. It may go to \$300,000,000 for 1927.

South Dakota rejoices in a corn crop 50,000,000 bushels larger than last year and worth somewhat more per bushel. The spring wheat crop was 31/2 times as large-and of high quality. The oats

crop was more than three times as large, the barley crop near four times as large, flax almost twice, and hay likewise. It was one of the biggest years in the history of the state in crop production, and also in value. It will go far to offset the bad year of 1926, when the state's crops hypothetically amounted to only \$115,000,000. Returns for 1927 should be at least \$150,000,000.

Minnesota had combined wheat and corn crops 33,000,000 bushels smaller than last year; the barley crop was 25% larger; potatoes 4,000,000 bushels more; flax a little less; hay nearly a million tons more; rye about 3,000,000 bushels more; oats 13,000,000 less. On the whole, the state's crops will hardly bring in as much as they did in 1926. Minne-

sota stands about at the top of the potato states, but the price is very unsatisfactory

dil

col

im

ves

this year.

On the other hand, it must be remembered that Minnesota has the most diversified farming of all the northwestern states. It is a leading dairy, egg and poultry state, it is a heavy producer of hogs, a big feeder of cattle. It does not experience the agricultural ups and downs of the Dakotas and Montana. If it has not done so well in crops this year as last it fared better last year-far better-than its neighbors to the west. Minnesota's dairy income alone is estimated at \$174,000,000. In considering the economic position of

these states, as well as others, the dramatic comeback of beef cattle must be taken into consideration, as also the long continued good prices for lambs and veal, the fair price for hogs and the prosperity of wool growing. For the first half of 1926 the production of dressed beef, veal, lamb and mutton was somewhat less and that of pork considerably more than for the same period of 1926.

Nothing promises more for the future of the range states and, eventually, of the corn belt states than the revival of the long-depressed beef industry. Beef cattle are even higher in price than last year; higher in fact than for seven years. The ranges are being restocked with highgrade animals, stock is going into the winter in excellent condition and the pasturage is good. Western feeding areas are running twice as many lambs as last year. The whole picture of conditions in the mountain states is a favorable one.

Idaho, Washington, Oregon and California had around 168,000,000 bushels of wheat, against less than 120,000,000 bushels in 1926, including both spring and winter wheat. California had a hundred thousand more tons of sugar beets. The hay crop in Washington, Oregon and California was about the same as a year ago; their total barley crop was somewhat smaller, oats larger, potatoes likewise. The

North Pacific states' apple crop is smaller but the price

is 30% better.

The corn belt states will probably do about as well as the average of recent years. The corn crop is 10% larger than last year, with prices about 20 cents a bushel higher. In the eastern and central part of the corn belt the crop was below last year's, but in the West much Nebraska's crop was nearly twice as large and Kansas' three times. Kansas, like other winter wheat states, had an inferior wheat crop this year, but the improvement in corn more than offset the decline in wheat.

"We have a corn crop that came out of the obscurity of a doubtful spring," sings a lyric statistician of Kansas, "into the summer of a glorious promise and an autumn of fullest fruition; a large increase of milo, kaffir and feterita that struggled to start but came into its birthright in the long glory of the Indian summer, a hay and forage crop such as makes all the barn storage look like tiny attics and dots every meadow with cones and ricks of magnificent proportions. For the highest light of

THE improving position of the farmer offers definite prospects that business itself will make a better showing at least in the first half of next year than has been the case in recent months. Fundamental prosperity cannot be maintained unless the farmers are prosperous and the fact that agriculture is on a sounder basis may be taken as a favorable symptom of future conditions in business. To business men, with interests in the Northwest, this article should be of

PARTICULAR attention is called to the more

Power, Montana Power, Standard Gas & Elec

tric; among the farm equipment, International

Harvester and Case Threshing; and among

the mercantile companies, Sears,

Roebuck and Montgomery Ward.

favorable position of companies operating in the

very great value.

all, Kansas had a real pasture season, with the kind and quantity of grass that marbles the lean with the fat, and that glorified good cattle for the river markets at prices that weekly established new peace-time records."

ss;

els

ps

le-

go

he

ry

st

le-

ed

st-

19

of

le.

of

it is

st rs ne

tic

2-

W-

ed

of

es

of

en or

nt

ng

he

nd

00 at. ia op

he

ole

ce ill

as

rs.

er

el

nd elt

h

as

ıs

er

or

m-

he

us

se

me

er.

ge nd

of

gT

The corn belt, as a whole, is, however, up against the old dilemma of hog prices versus corn prices. Corn is up and hogs are somewhat down. Most corn is sold in the form of hogs and beef. The price of beef justifies the price of corn but the price of hogs does not, although the ratio has improved of late.

The cotton belt, from a crop of less than \$13,000,000 bales, against 18,000,000 in 1926, will realize \$150,000,000 more from the lint alone, with the seed additional "velvet." The transformation from the dreary cotton outlook of a year ago has been amazing, and must be largely attributed to deliberately curtailed production.

The tobacco growing sections are far better off than last The dairy industry has had a big year. With the exception of potatoes (the crop of which is 44,000,000

bushels larger) most of the fruit and vegetable staples are bringing higher prices than last year.

Estimates of the net increase in agricultural income this year are not yet possible. The Department of Commerce calculates the total value of fifty important crops at \$8,428,626,-000, which is an increase of 635 million dollars in excess of 1926 harvests. This total, however, excepts the value of animals and animal products, which must be included for accurate comparison, still open to conjecture. Not-withstanding the splendid position of the beef industry, there are fewer cattle in the corn belt feed lots, in reflection of the depletion of the range supplies in recent years. Add to this the decline in the price of hogs during the year, combined with the later high price of corn, and computation of total income from this source becomes very difficult.

Aside, however, from actual valuations there is the general improvement of feeling that usually follows large crops -if prices are not ruinous-and the stimulation of trans-

(Please turn to page 470)

The Recovery of Agriculture

W. M. JARDINE

Secretary of Agriculture

Average Prices of Farm Products Received by Producers

(Department of Agriculture)

Average of reports covering the United States, weighted according to relative importance of district and State.

	5-yr. av				
A	ug., 190	9- Oct.			
	July, 1914	average 1910-1914	Oct., 1926	Sept., 1927	Oct., 1927
Cotton, per lb., cents Corn, per bu., cents Wheat, per bu., cents	64.2 88.4	12.1 64.8 88.1	11.7 74.5 121.4	22.5 95.3 119.2	21.0 87.6 113.7
Hay, per ton, dols Potatoes, per bu., cents. Oats, per bu., cents	39.9	11.49 65.0 38.4	13.08 126.4 39.0	10.51 107.4 43.9	10.63 97.9 44.6
Beef cattle, per 100 lbs., dols,	5.22 7.23	5.09 7.37	6.43 12.06	7.42 9.78	7.55 10.16
Eggs, per doz., cents Butter, per lb., cents	21.5	23.7 26.1	36.8 41.8	29.4 41.7	35.6 43.4
Butterfat, per lb., cents Wool, per lb., cents	17.7	16.9	42.4 31.6	41.6 31.2	44.4 30.9
Veal calves, per 100 lbs., dols.	6.75	6.80	10.29	10.78	11.04
Lambs, per 100 lbs., dols. Horses, each, dols	5.91 142.00	5.35 140.00	11.31 77.00	11,14 78.00	11.22 76.00

N fewer acres, and with a farm population three million less than in 1919, the agricultural industry since 1923 has averaged a larger volume of production than in the years immediately following the war. Since June, 1921, when the depression was at its worst, the unit buying power of farm products has increased more than 35 per cent. This means that agriculture has regained more than threefourths of the buying power it enjoyed per unit of product before the long period of decline.

The net income of the agricultural community will probably be larger this year than last, although the total crop production is apparently slightly less. It is of especial interest that areas where distress has been most acute and demoralizing in recent years have this year both good crops and good prices. The northwestern spring wheat country has fared particularly well, notably Montana, with

crops 58 per cent above the last ten-year average; the Dakotas, Nebraska, Idaho and Oregon, with 10 to 20 per cent better crops than usual. The cotton belt is better off this year with a smaller crop than it was a year ago with a larger total yield.

On the whole, I think it is safe to say that the particular and general economic trends now favor the farmer, and probably will do so for the most part for some years to come. do not mean to say that the farmer's troubles are over, by any means, but to suggest that fundamental causes of them, which are largely beyond his control, are steadily weakening or disappearing.

Price Indexes of Farm Products for October, 1927

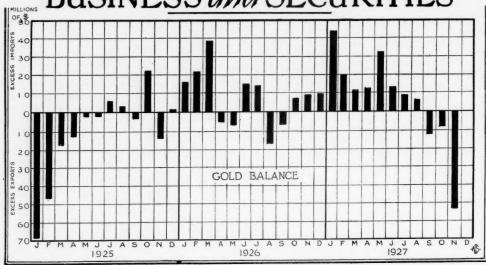
(Department of Agriculture)

																								UCTS			
	(P	ri	C	80	В	a	t	1	th	le	f	a.1	cri	n	;	4	A	u	g	u	S	t,	1909-Ju	ly,	1914-10	0)
																							-	October, 1926	Se	ptember, 1927	October 1927
Cotton																								94		181	169
Corn																										148	136
																								137		135	129
Hay																								110		89	90
Potatoe																										154	140
Beef ca	ti	110	В																					124		143	145
Hogs																										135	140
Eggs																										137	166
																								164		164	170
337 3																											

RELATIVE PURCHASING POWER (Department of Agriculture) (At October, 1927, farm prices; August, 1909-July, 1914=100)

		UI	a unit o	1-	
In terms of-	Cotton	Corn	Wheat	Hay	Potatoes
All commodities	111	89	84	59	92
Cloths, etc	93	75	71	49	77
Fuel, etc	93	75	70	49	77
Metals, etc	134	108	102	71	111
Building materials	104	84	79	55	86
House-furnishing goods	104	83	79	55	86
	eef cattle	Hogs	Eggs	Butter	Wool
All commodities	95	92	108	111	114
Cloths, etc	80	77	91	93	95
Fuel, etc	79	77	91	93	95
Metals, etc	115	111	131	135	137
Building materials	89	86	102	104	107
House-furnishing goods	89	86	101	104	106

EFFECT of GOLD EXPORTS on MONEY
BUSINESS and SECURITIES



WITHIN the past few weeks the attention of the financial community on both sides of

the Atlantic has been strongly caught and held by the resumption of gold shipments to London. There has been the usual meaningless comment to the effect that they were merely "commercial transactions" or normal movements and more to the same effect.

This sort of commentary has not been even as acceptable as usual, because of the fact that for some months past explanation of Federal reserve discount rates has been based upon the statements that it was desired to protect the gold supply of the Bank of England. Moreover, it is well known that buying for British Treasury account is

The public, of course, knows, when it has looked into the matter at all, that the report of the Currency Committee which originally brought about the return of Great Britain to a gold basis (theoretically) in 1925, urged the amalgamation of the bank notes of the Bank of England with the currency issue put out by the British Government during the war, and looked forward to some date "early in 1928" as a time for amalgamating the two types of currency and establishing a suitable gold reserve behind them. The approach of the time set by the Currency Committee and the extraordinary efforts and precautions that have been taken by the Bank of England within recent months point to a renewal of the effort, thus far none too successful, to accumulate an adequate gold stock in England, and to go back to the gold standard in fact as well as in theory.

"A Larger Plan"

This situation in England coincides with a peculiar state of things in the United States as regards the American gold supply. It is generally supposed that the United States is carrying a very large quantity of gold and in fact, absolutely stated, it is. Due to the inflation which has gone on in the United States in recent years, and which has enlarged our individual bank deposits by about one-quarter their amount since 1923, the actual percentage of actual reserve money in the United States (outside and inside the banks) is small, being computed at not much more than 8%.

In view of this condition of affairs it was the opinion of some Americans who testified before the Indian Currency Commission in London about eighteen months ago, that this country could not afford to "release" any gold. Notwith-

By H. PARKER WILLIS

standing this point of view on the part of many, the Federal Reserve System has been doing what of

wh Th

rea

pa

ma

cul

con

82.

COL

0111

us

dis

pol

hay

the

it could to stimulate exports of gold, and has developed a plan for the restoration of the gold standard not merely in Great Britain but throughout the world.

This plan has never before been made known,-in fact its details are not known today. The first announcement of it, so far as can be ascertained, was made by Secretary of the Treasury Mellon, in a report sent to Congress December 7, 1927. In that report, he makes a statement which may become historic, as follows: "The present transitional stage through which the nations are passing in their progress toward the return to a gold basis has placed peculiar responsibilities on the United States as the custodian of nearly half of the world's monetary gold. Large movements of gold to and from the United States have continued. The huge movement of gold . . . would in the absence of offsetting influences have created serious disturbance in credit conditions in this country. . Federal reserve policy during the year [1927] as during several preceding years, has been an important influence in avoiding still heavier gold movements. By their purchase of \$62,000,000 of gold abroad in May, the reserve banks without doubt kept that gold from coming to this country. . The country's total gold stock on October 31, 1927, was \$4,548,000,000 compared with \$4,554,000,000 on October 31, 1924. For this result, reserve policy is, at least in part, responsible, not simply through specific operations designed to deal with gold movements, but principally by the pursuance of a larger plan, which has had as its objective the restoration of the gold standard throughout the world, and which has found expression in the granting of credits to a number of the European banks of issue, and in a discount and open market policy which as far as possible, has avoided a rate position which would attract gold to this country and would put a strain upon the European money market.'

Summarizing this statement of the Secretary of the Treasury we may say that in his view the situation on this side of the water is as follows: Federal reserve banks have for years kept gold out of this country and are arranging by their credits and rates to keep still more out and to drive it abroad so far as feasible. Thus we apparently have an official intent on this side of the water to eliminate gold here just as we have an official disposition in Europe to attract it.

It so happens that some other influential factors have

THE MAGAZINE OF WALL STREET

also made their appearance. There are several European countries of the minor group such as Norway, Jugoslavia, Esthonia and others which are believed to be getting ready to stabilize their currencies. They will, in some cases, probably want some gold, certainly some gold exchange. What Italy would want in connection with her currency operations is not certain, but there is a belief that she will want to increase her gold supply by drawing cash from elsewhere.

Not only is this true, but the low discount rates made in the United States which have resulted in an excessively high stock market, now offer very successful opportunities for profit taking on the part of foreign buyers of American bonds and stocks. A good many of them have been taking their profits of late. Moreover, we have a good deal overdone the new issue business for a long time past. It seems probable that our new issues for the year 1927 will amount to not less than \$3,000,000,000 of bonds and notes of domestic securities, while in addition our new issues of similar foreign securities inclusive of short term accommodation is likely to go up to semething like \$1,500,000,000 for the year. These are immense figures, and they, particularly the foreign issues, suggest strongly the influence that is being produced upon our balance of trade, and the consequent pull that is being given to foreign countries upon our gold, if they want to exercise it. Foreign banks now have about \$2,000,000,000 on deposit here. Our heavy exports of merchandise continue but our imports are also heavy, and it is likely that for the twelve months of the year we shall have a balance in our favor of possibly \$500,000,000 to \$700,000,000. This, however, is comparatively small as such balances go, and is much more than offset by our invisible obligations incurred as a result of the financing already referred to.

How Much Gold Can We Lose?

These conditions make the question a very practical and proper one: How much gold can we lose? Of course this means how much gold are we willing to lose? We are in a position which will enable us to control this movement of gold about as we see fit were we disposed to do so.

Let us discard first of all the whole supposition that for some mysterious reason, "exchange" has turned against us, so that gold is "naturally" flowing out of the country as the result of some "reserve policy." The truth of the matter is that our discount rates here have been so low that we have attracted to our banking institutions a great deal of short-term financing which would ordinarily have been placed in Great Britain to cover our shipments of cotton, wheat and other staples during the late summer and autumn months. The bills representing these shipments have been maturing and will for the most part, have to be paid in the early future, so that we face the probability of receiving rather than of shipping gold after the present artificial "movement," which is so far of limited scope and only arranged, thus far, for the time being, shall have terminated. So the question how much gold we "can" lose or how much of

the metal we are "willing" to lose converts itself into a financial

(Please turn to page 476)



Engraving Machines Used in Making Stamps and Paper Money

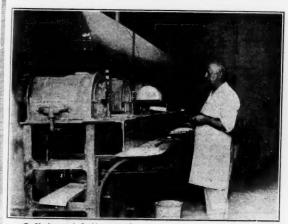


Finished Engravings Ready for the Press

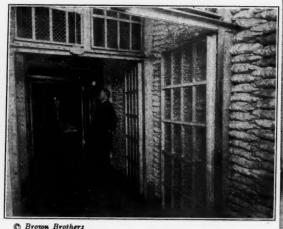


© Harris & Ewing

Printing Paper Money



O Underwood & Underwood
Gold being placed in a refining furnace



Bags of foreign gold stored in the Sub-Treasury

he

20-

nat

a

in

nt

TV

nt

nt

ng

he

1S

in

S

t,

d

The Investment Holdings of America's Greatest Philanthropic Foundation





The Rockefeller Foundation



						AND AND SERVICE	12300	6
			Founda-			Mr. parksz-nei	net temperately	Founda-
			tion's Total			30.00	10000	tion's Total
			Ledger		6	ranga rango ran tuaranda a nungio 300 22	Dia d	Ledger
Name	BONDS		t Value ousands)	Name	В	ONDS	Amoun (in th	t Value lousands)
Amer. Telephone & T	elegraph Co., 30-year Coll. Trust	\$100	\$97	United States	Second Liberty.	Converted	\$2,100	\$1,953
Armour & Co., Real Atlantic & Birmingh	Estate First Mortgageam Ry. First Mortgage (Certification)	1,000	932	United States United States	Gov. Treasury Gov. Treasury	Converted Notes Series "I Notes Series "I	B'' 3,000 A'' 4,000	3,000 4,000
Atlantic Refining Co	., Notes	677 400	358 398	Washington P.	. Second Mortgi	Consulidated 364	450	117 375
Atlantic Renning Co	. Notes	400	398	Western Mary	and R. R., Fir	at Mortgage R. Equipment T	1.032	814
Canada Southern Ry	R. Refunding and Gen. Mtge Consolidated Mtge. Series "A"	650 37	648 37	Wheeling & I	Lake Erie R.	R., Equipment T	rust 50	49
Chicago & Alton R.	R. Refunding Mortgage	551	358	Series B	325 conference		00	49
Chicago & Alton Ry	y. First Lien	854	452	Total Bo	nds	************		\$52,314
(Certificates of De	ecting Railways Collateral Trust posit)	1,305	678		A-systems are	37A gi		
Series "A"	************************	30	29		talies or agest	(813e)		
Chicago, Milwaukee Series "C"	& St. Paul Ry. General Mtge.	500	515	E	And The Pro-			Founda- tion's
Chicago, Milwaukee	& St. Paul Ry. Debenture (Cer-				Taloust of I	7		Total
tificates of Deposit	& St. Paul Rv. General and	450	. 236	10.0	ill by Lossy	/		Ledger Value
Refunding Mortgag	& St. Paul Ry. General and go Series "A" (Certificates of			for the second	1		Number	(in
Deposit)	St. Paul Ry., Receivers Equip-	500	262	Name	STO	ocks	of Shares	thou- sands)
ment Trust Series '	'D"	1,862	1,829		DED TOUR			
Chicago & North Work	st. Ry. Sinking Fund Debenture	500	81 485	American Bhip	Building Co., Co. Oil Co., Ltd.	(Par £1)	24,260 366,517	\$1.314 6.917
Cleveland, Cincinnati,	, Chicago & Bt. Louis Ky., St.			Anglo-American	Oil Co., Lid.	(Par £1) Non-		
Louis Division Colla	Chicago & St. Louis Ry. Gen.	73	587	Voting	be & Santa Fo	Ry., Preferred	122,172 5,000	2.305 491
Cleveland Short Line	First Mortgage	500	475	Atchison, Topel	a & Santa Fe	Ry., Common	21.100	2.009
Colorado Industrial		2,050	1,640	The Buckeye P	ipe Line Co. (1	Par \$50)	49.693	4,963
Erie R. R. Gen. Mt	Government of, 15-year	1.065	472 795	Chahalia & Pa	il Bank, Capita	Capital	950 220	168
	ge. Con. f0-year Series "B" Refunding Mortgage	300	261	Chicago City &	Connecting R	s Participation		
Illinois Central R. B.	, Equipment Trust Certificates	1 040	1.004	Certificates 1	Preferred	s., Participation	17,530	262
Interporough Rapid	Transit Co., First Mortgage	1,930	1,024	Chicago City &	Connecting Ky	s., Participation	10.518	21
(Stamped)		1,750	1,695	Chicago & East	tern Illinois Ru	Preferred	3.000	102
International Mercant	ile Marine Co., First and Col-		0 440	Cleveland Arca	de Co., Capita	1	2,500	246
Interest Trust Binkin	ig Fund Sirst Mtge. Ten-	2,818	2,776	Claveland Trust	Co., Capital.		4.800	89 259
	with warrants attached	3,000	2,100	Consolidated G	as Co. of New	York, Common	1.000	200
Lake Erie & Western	R. R., Second Mtge	100	100	(No par valu	ie)		40,000	2,423
Lake Shore & Michiga	an Southern Ry., First Mtge an Southern Ry., Debenture	926 1,673	805 1,539	Continental Oil	Co. (Par \$10).	Par \$25)	100.000 14.120	695 494
Missouri, Kans, & Tex	as R.R., Prior Lien Series "A"	331	260				6,000	241
missouri, Kans. & Tex	as R.R., Prior Lien Series B	331	213	Eureka Pipe Lir	e Co		12,357	2,001
'A'	exas R. R. Adjustment Series	96	59	Galena-Signal O	il Co. Preforred		4.193 20.000	585 1.016
Morris & Essex R. R.	, First and Refunding Mgto	175	144			red	1,527	135
Mutual Fuel Gas Co.,	Mexico, Prior Lien Fifty-year	250	250	Great Lakes To	wing Co. Commo	n	1,200	14
Sinking Fund with	July 1, 1914 and subsequent		24	Indiana Pipe Li			24.845 202	2.611
coupons attached	coupon due January 1, 1914	50	30	Kanawha & Hoc	king Coal & Cok	ke Co. Preferred e Co. Common	668	60
Secured 6% Notes for	coupon due January 1, 1914 .	7		Manhattan Ry.	Capital (Modifie	d Guarantee)	10.000	1.000
Certificate Series "B"	'Interest in arrears	13		Missouri, Kansa Preferred		R. Co. 7%	9.531	381
New York Central Lin	nes Equipment Trust of 1913	72	71	National Transit	Co. (Par \$12.5	0)	126,481	3,604
New York Central & Debenture	Hudson River R. R., 30-year	330	291				12,392	1.511
New York, Chicago &	St. Louis R. R., First Mtge.		33	Northern Pacific	Ry. Common		9,000	64 855
	St. Louis R. R., First Mtge. St. Louis R. R., Debenture.	1,303	1,133	Pere Marquette	Ry. Preferred		5.740	313
New York Connecting	R. R., First Mortgage	50 0	478 357	Provident Loan	Certificates (\$1.	000 par)	242	242
Pennsylvania R. R., C	Pefunding & Improve. Mtge. onsolidated Mtge. Sterling	£2	11	The Solar Refinit	ng Co	50)	9,076 24,845	839 2.111
Pennsylvania R. R., G	eneral Mortgage.	,500	1,473	South West Pen			8,000	1,000
Series "D"	Equipment Trust Certificates	390	384	Standard Oil Co Standard Oil Co	. (Indiana) (P	ar \$25)	460,760	19,973
	g Coal & Iron Co., Refunding	330	907		. (New Jersey)		919,500	33,538
Sinking Fund		167	157	*) Common (Par	313.300	33,338
rittsburgh Cincinnati,	Chicago & St. Louis Ry., Con-	500	515	\$25) Rights .			919,500	
Reading Co., General as	nd Refurding Series "A"	333	313	The Standard Oi	I Co. (Ohio) Co	mmon	33.912	3,459
Rutland R. R., First (Consolidate 1 Mertgage	25	22	voting Cumula	tive		17,088	1,811
St. Louis-San Francisco	o Ry., Prior Lien Series "A" 1		1,091	Tilden Iron Mini	ng Co. Capital		1,780	48
	Equipment Trust Certificates	455	350	Union Tank Car	Co. Capital		60.000	1,606
Sories "I"		.100	1,083	Western Pacific Wilson Realty Co	n. R. Corporati	on Freierred	28.609 591	878 59
Southern Pacific R. R.	. First and Refunding Mtge.	100	86	Women's Hotel (Co. (in Liquidati			00
bentures	w Jersey), 20-year Gold De-	.000	10.050	Paid	************		300	****
Inited States Fourth	Liberty 1	,075	1,002	Total Stocks .			\$	102,764
HER WAR IN	The state of							1



Investors should be able to gain a good idea, from this tabulation, of the way in which very large investors place their funds in securities.

How Great Foundations Handle Their Investment Funds

OW many people realize that American philanthropic foundations have at least \$1,000,000,000 of aggregate funds? What attention is ever given to the ways in which these are in-

vested or their bearing upon the in-

vestment market?

When founded at varying periods from sixteen years to a quarter of a century ago, some of the better known of these foundations were heralded with wide publicity. The Rockefeller and the Carnegie Foundations, for example, were then viewed either as great benefactions or as potential dangers. The U.S. Commission on Industrial Relations in 1915 reported that they might develop into special agencies,

HEREWITH are present for the first time, in any American publication, the complete investment holdings of the three largest American foundations—The Rockefeller Foundation, General Education Board and the Carnegie Corporation of New York. The financial aspect of these organizations remains a closed chapter to investors. Hence, we are pleased to have the opportunity of presenting this interesting data to our readers.

using their funds to shape educational policies and influence public opinion.

After the excitement attending their formation had passed away, the notice given to their activities became and has remained so perfunctory that comparatively few persons know precisely the nature of their humanitarian and other work. A still more obscure subject in the general mind is the character of their investments. If these foundations owned vast areas of real estate and towering buildings their holdings would be permanently obvious, and would undoubtedly furnish the topic of frequent articles conspicuously reminding people of what the foundations owned. The wealth of the foundations is not less actual than real estate but it is in the less visible form of stocks and bonds representing financial ownership. The customary attitude has been to accept the fact as granted that the founda-

By GUSTAVUS MYERS



tions held large sums of money and rest satisfied with that vague knowl-

Even among those knowing that stocks and bonds are the basis of foundations, the tendency often is to class all such institutions as having the same general kinds of ownership. From an investment point of view, however, the security composition of foundations may widely differ.

The predominant essential of the Rockefeller philanthropies is not that

of the Carnegie concerns. Stocks are the mainstay of the Rockefeller, and bonds that of the Carnegie institutions. Of \$155,000,000 vested in the Rockefeller Foundation, more than \$102,000,000 is in stocks; \$52,314,000 is embodied in bonds. Actual value of its stock holdings is unquestionably much more: the amount reported of its stocks is a conservative ledger value and not market value.

The same is true of the General Education Board listing Rockefeller donations amounting to more than \$97,000,000, and of the Laura Spelman Rockefeller Memorial, the principal of the fund of which is approximately \$73,000,-000. Nearly three-fourths doubtless more if mar-

ket value be computed-of the General Education Board's investments were comprised in the \$71,000,000 of stocks it owned. In bonds, it had \$26,227,000. The International Education Board, another Rockefeller foundation, recently reported having a fund of \$18,600,-000, of which \$11,595,000 represented stocks, and the remainder secured demand loans.

On the other hand, funds of the Carnegie Corporation (the name of the chief Carnegie philanthropy), amounting to nearly \$124,000,000, are composed of bonds reaching nearly \$117,-000,000 in book value. Bonds in the reserve and other accounts bring the total to more than \$121,000,000. Stock holdings are insignificant.

These foundations are only several of a large number in the roster of greater foundations. The Carnegie Institute and Library has a fund of \$36,- 000,000; the Carnegie Institute of Washington \$22,000,-000; the Carnegie Foundation for the Advancement of Teaching \$28,250,000; the Carnegie Endowment for International Peace \$10,000,-

000; and the Carnegie Hero Fund \$5,000,000.

The Duke Endowment, made in 1924 by James B. Duke, who derived his fortune from tobacco products manufacture, amounts to at least \$57,000,-000. A large part of this has been a gift to Trinity College in North Carolina, which accepted his condition of changing the name to Duke University. Holdings of the Hershey Fund, established by Milton S. Hershey, chocolate manufacturer, amount to approximately \$40,000.000 all contributed by Mr. Hershey for the Hershey Industrial School at Hershey, Pa. The Kresge Founda-tion, formed by Sebastian S. Kresge, owner of a chain of five- and ten-cent stores, was endowed in 1924 with \$2,000,000, to which he has since added 500,000 shares of the S. S. Kresge Company, having a present market value of \$36,000,000. The Commonwealth Fund, established in 1918 by Mrs. Stephen V. Harkness, wife of a Standard Oil Company magnate, has been increased from time to time and now amounts to about \$38,000,000. The Russell Sage Foundation has a \$15,-000,000 fund.

Of the lesser foundations there are scores, many of which are seldom



John D. Rockefeller Founder of the Rockefeller Foundation

heard of publicly. Their funds range individually from a few hundred thousands to millions of dollars. Typical

smaller foundations are the John Simon Guggenheim Foundation with a \$3,000,000 fund; the Wie-

boldt Foundation in Chicago with a fund of \$4,500,000; the George H. Marsh Foundation in Ohio, with several million dollars; the Leopold Schepp Foundation with \$3,500,000, and the Juilliard Musical Foundation also in New York City, endowed with \$12,000,000. The more than 100 lesser foundations in the United States have total funds probably exceeding \$100,000,000.

The community trust is another and less personal form of foundation. Instead of administering a single individual's donations, it is a central receiving agency for gifts, large or small, made by many persons desiring the safeguarding of their donations or legacies. The plan is that of creating in each city a community trust administered by a committee. Usually the funds are deposited with particular

amon

cordin Civic ber of 000 is vided alone Cleve ent t

Securities Held by Carnegie Corp. of N.Y.

ENDOWMENT FUND BONDS	Par Value (in the	Book Value susands)
Alabama Power Co.		
First Lien & Ref. 5s, June 1, 1951 Alberta (Province 6f), Deb. 5s, April 15, 1950 Allesheny Valley Ry. Co Gen. 4s, March 1, 1942 Atchison, Topeka & Santa Fe Ry. Co Gen. 4s, Oct. 1, 1995 Adj. 4s, July 1, 1995 (Stamped) Bessemer & Lake Eric R. R. Co Albion Eq. Tr. 5s, June 1, 1931-4. Bessemer Eq. Tr. 5s, March 1, 1927. Euclid Eq. Tr. 5s, July 1, 1932-33. Meadville Eq. Tr. 5s, March 1, 1927-31. Bethlehem Steel Co., P. M. 6s. August 1, 1998.	\$200	\$190
Deb. 5s, April 15, 1950	300	302
Gen. 4s, March 1, 1942	25	24
Gen. 4s, Oct. 1, 1995	357 50	327 42
Bessemer & Lake Erie R. R. Co., Albion Eq. Tr. 5s. June 1, 1931-34	350	353
Bessemer Eq. Tr. 5s, March 1, 1927	110	111
Meadville Eq. Tr. 5s, March 1, 1927-31	500 275	500 277
Bethlehem Steel Co., P. M. 6s. August 1, 1998	500	535
Buffalo, Rochester & Pittsburgh Ry. Co.,	300	313
Central Pacific Ry. Co.,	500	480
Chicago & Alton R. R. Co.,		
Chicago, Burlington & Quincy R. R. Co.,	500	400
Gen, 4s, March 1, 1958 (Registered)	950 250	907
Illinois Div. 1st 31/2s, July 1, 1949	113	98
Chicago, Indiana & Southern R. R. Co., First 4s, January 1, 1956	500	460
Chicago, Lake Shore & Eastern Ry, Co., First 41/4s, June 1, 1969	500	530
Chicago, Milwaukee & Puget Sound Ry. Co., First 4s. January 1, 1949.	275	252
Chicago, Milwaukee & St. Paul Ry. Co.,	500	474
Gen. 4s. Ser. A. May 1, 1989	1,400	1,389
Cons. 4s. July 1, 1952	250	199
Gen. 4½s. Ser. A, January 1, 1942	50	52
Gen. 4½s, Ser. B. October 1, 1942	49 25	51 21
Gen. 31/as, Ser. C. November 1, 1948	62 15	53 12
Cleveland Union Terminals Co.,	25	24
Commonwealth Edison Co.,	50	49
First Col. Tr. 5s, Ser. B, June 1, 1953	150	149
Gen. 3½s, Ser. B, July 1, 1940	75	65
Gen, 3½s, Ser. C, July 1, 1940 Florida East Coast Ry. Co.,	107	83
First & Ref. 5s, Ser. A, September 1, 1974 Florida Power & Light Co.,	500	496
First 5s, January 1, 1954	70	65
P-M 1st Lien P. M. 5s, July 1, 1927-44	93	97
Twenty-year 5½s. February 1, 1987	250	261
Louisville Division & Terminal,	300	254
Louisville, New Orleans & Texas Ry Co.,	000	
Indiana & Michigan Electric Co.,	200	160
First & Ref. 5s, March 1, 1955	100	97
First 4s, June 1, 1959	214	177
External Loan 30-Yr. S. F. 61/2s, Feb. 1, 1950	115	111
First 30-Yr. 5s, Ser. A, September 1, 1952	100	99
First 4s. January 1, 1960	100	82
Take Shore & Michigan Scuthows Dw Co.	250	215
Lake Shore & Michigan Southern Ry. Co., Gen. 34s. June 1, 1997 (Registered)		
Lake Shore & Michigan Southern Ry. Co., Gen. 34s. June 1, 1997 (Registered) Lehigh Valley R. R. Co., Cons. 4s. May 1, 2003	800	289
Lake Shore & Michigan Southern Ry. Co., Gen. 31/4s. June 1, 1997 (Registered) Lehigh Valley R. R. Co., Cons. 4s. May 1, 2003 Louisville & Nashville Ry. Co., Unified 4s, July 1, 1940	800 100	282
Lake Shore & Michigan Southern Ry. Co., Gen. 34's. June 1, 1997 (Registered) Lehigh Valley R. R. Co., Cons. 4s. May 1, 2003 Louisville & Nashville Ry. Co., Unified 4s, July 1, 1940 Minneapolis, St. Paul & B. Ste, Marie Ry. Co., Cons. 4s. July 1, 1933		
Bessemer Eq. 17. 5s, March 1, 1927 Euclid Eq. Tr. 5s, July 1, 1932-33 Meadville Eq. Tr. 5s, March 1, 1927-31 Bethlehem Steel Co. P. M. 6s, August 1, 1998 Buffalo, Rochester & Pittsburgh Ry. Co. Cons. 4½s, May 1, 1957 Central Pacific Ry. Co. Ref. 4s, August 1, 1949 Chicago & Alton R. R. Co. Ref. 3s, October 1, 1949 Chicago Burlington & Quincy R. Co. Gen. 4s, March 1, 1958 (Registered) Gen. 4s, March 1, 1958 (Registered) Gen. 4s, March 1, 1958 (Registered) Gen. 4s, March 1, 1958 Chicago, Indiana & Southern R. R. Co. First 4s, January 1, 1956 Chicago, Lake Shore & Eastern Ry. Co., First 44/a, June 1, 1969 Chicago, Milwaukee & Puget Sound Ry. Co., First 44/a, June 1, 1969 Chicago, Milwaukee & Puget Sound Ry. Co., Deb. 4s, July 1, 1934 Chicago & Western Indiana R. R. Co., Cons. 4s, July 1, 1932 Cleveland & Pittsburgh R. R. Co. Gen. 4½s, Ser. A, January 1, 1942 Gen. 3½s, Ser. R. October 1, 1942 Gen. 3½s, Ser. D. August 1, 1950 Cleveland Union Terminals Co. First S. F. 5½s, Ser. A, April 1, 1972 Commonwealth Edison Co. First S. F. 5½s, Ser. A, April 1, 1972 Commonwealth Edison Co. First S. F. 5½s, Ser. A, April 1, 1973 Commonwealth Edison Co. First S. F. 5½s, Ser. A, April 1, 1974 Commonwealth Edison Co. First S. F. 5½s, Ser. A, April 1, 1940 Gen. 3½s, Ser. C, July 1, 1940 Gen. 3½s, Ser. C, July 1, 1940 Gen. 3½s, Ser. C, July 1, 1940 Forida East Coast Ry. Co. Gen. 3½s, Ser. B, July 1, 1940 Forida East Coast Ry. Co. First Ref. 5s. Ser. A, September 1, 1974 Firlic Coke Co., H. C. First Se., Ser. A, September 1, 1974 Florida Power & Light Co. First September 1, 1985 Indiana & Michigan Electric Co. First Sey. Ser. September 1, 1985 Indiana & Michigan Electric Co. First Sey. July 1, 1986 Louisville New Orleans & Texas Ry Co. Cons. 4s. July 1, 1986 Louisville New Orleans & Texas Ry Co. Gen. 3½s, June 1, 1989 Louisville & Nashville Ry. Co. Unified 4s. July 1, 1940 Lehigh Valley R. R. Co. Cons. 4s. July 1, 1980 Louisville	100	94

ENDOWMENT FUND BONDS		
Prior Lien 5s, Ser. A, January 1, 1962	\$125 62	\$101 41
Monongahela Southern R. R. Co., First 5s., October 1, 1955. Montreal (City of), 5s., November 1, 1942. 5s., September 1, 1948. 5s., September 1, 1948. 5s., September 1, 1948. 5s., September 1, 1958. Morris & Essex R. R. Co., Ref., 3½s., December 1, 2000. New York Central R. R. Co., Cons. 4s., Ser. A, February 1, 1998. New York Chicago & St. Louis R. R. Co., Deb. 4s., May 1, 1931. New York Edison Co., First Lien & Ref. 5s., Ser. B. October 1, 1944. New York, New Haven & Hartford R. R. Co., Deb. 4s., May 1, 1958. Norfolk & Western Ry, Co., Division 1st Lien & Gen. 4s., July 1, 1944. Northern Pacific Ry, Co., Ref. & Imp. 4%s., Ser. A, July 1, 2047. Ref. & Imp. 5s., Ser. C, July 1, 2047. Ref. & Imp. 5s., Ser. C, July 1, 2047. Ref. & Imp. 5s., Ser. C, July 1, 2047. Northern States Power Co., First & Ref. 25 Yr. 5s., Ser. A, April 1, 1941. Oregon Short Line R. R. Co., Cons. 1st 5s., July 1, 1946. Ottwas (City of), 5½s., July 1, 1942.	. 487	566
Montreal (City of), 5s. November 1, 1942	. 50	48
5s, September 1, 1943	. 225 285	219 279
Morris & Essex R. R. Co.,	. 250	213
New York Central R. R. Co.,	. 700	654
New York, Chicago & St. Louis R. R. Co., Deb. 4s May 1 1931	850	779
New York Edison Co., First Lian & Ref. 5s. Ser. B. October 1, 1944	150	150
New York, New Haven & Hartford R. R. Co., Teb. 4s Way 1 1956	1,000	964
Norfolk & Western Ry. Co.,	250	245
Northern Pacific Ry. Co.,	400	888
Ref. & Imp. 6s, Ser. B. July 1, 2047	100	104
Ref. & Imp. 5s, Ser. C, July 1, 2047	25	23
Prior Lien 4s, January 1, 1997	250	203
First & Ref. 25Yr. 5s, Ser. A, April 1, 1941 Oregon Short Line R. R. Co.,	. 200	192
Cons. 1st 5s, July 1, 1946 Ottawa (City of),	. 150	138
5½s, July 1, 1942	50 50	51 51
Pacific Gas & Electric Co., First & Ref. 51/2s, December 1, 1952	150	149
Cons. 1st 5s. July 1, 1946. Obtawa (City of), 5½s, July 1, 1942. 5½s, July 1, 1943. -acific Cas & Electric Co., First & Ref. 5½s, December 1, 1952. -acific Telephone & Telegraph Co., Ref. 30-Yr. 5s. May 1, 1952.	100	94
Pennsylvania R. R. Co., Gen. 41/s. June 1. 1965	200	183
Cons. 41/2s, August 1, 1960	350 315	354 322
First & Ref. 5½s, December 1, 1952. accific Telephone & Telegraph Co., Ref. 30-Yr. 5s, May 1, 1952. ennsylvania R. R. Co., Gen. 4½s, June 1, 1965. Cons. 4½s, August 1, 1960. Cons. 4½s, August 1, 1960. Cons. 4½s, August 1, 1960. Cons. 15t 5s, January 1, 1947. Pittsburgh, Ediscinnati, Chicago & St. Louis Ry. Co., Cons. 3½s. Ser. E. August 1, 1949. Cons. 4½s, Ser. G. November 1, 1947. t. Louis, Iron Mountain & Southern Ry. Co., Gen. Cons. Ry. & Land Grant 5s, April 1, 1931. san Antonio & Aransas Pass. Ry. Co., First 4s, January 1, 1943. lesboard Air Line Ry. Co., Ref. 4s, October 1, 1959. louthern California Edison Co., Gen. & Ref. 5s, February 1, 1944. louthern Ey. Co., Cons. Ist 5s, July 1, 1994. lerminal R. R. Assn. of St. Louis, Gen. Ref. 4s, January 1, 1953. lexas Power & Light Co., First 5s, June 1, 1951.	320	320
Pittsburgh, Cincinnati, Chicago & St. Louis Ry. Co., Cons. 3½s, Ser. E, August 1, 1949	250	248
Cons. 4s, Ser. G. November 1, 1957	500	490
Gen. Cons. Hy. & Land Grant 5s, April 1, 1931. an Antonio & Aransas Pass. Ry. Co.,	50	47
eaboard Air Line Ry. Co.,	1,300	1,134
outhern California Edison Co.,	250	203
outhern Ry. Co.,	160	152
erminal R. R. Assn. of St. Louis,	. 50	47
Gen. Ref. 4s, January I, 1963 exas Power & Light Co.,	400	316
eronto (City of),	100	97
oronto (City of), Cons. Loan Deb. 5. October 1, 1951	160	96 154
First Lien Gen. 5s, Ser. A, December 1, 1954	150	147
Mifflin Eq. Tr. 5s, August 1, 1927-30	480	484
S. F. 5a. April 1. 1968.	2,573	2,622
Fifty-Year 5s, April 1, 1951 (Registered), Berles A	8,350	8,350
Series B	8,350	8,350
Beries O	18,225	18,225
Series E	17,125	17,125
Beries F	20,125 18,125	20,125 18,125
First Lien Gen. 5s, Ser. A, December 1, 1954 nion E. E. Co., Miffin Eq. Tr. 5s, August 1, 1927-30 Munhail Eq. Tr. 5s, June 1, 1929-34 S. Steel Corporation, S. F. 5s, April 1, 1963 Fity-Year 5s, April 1, 1961 (Registered), Berles A Berles B Berles C Berles C Berles C Berles C Berles C Berles D Berles C Ber	250	241
First 4s, January 1, 2861	50	56
7innipeg (Oity of), 4½s, November 1, 1944. 7. De Wess Wood Co. First 5s, May 1, 1937-30.	60	57
. De wees Wood Uo.,	800	814
First 5s, May 1, 1927-30	000	013

Name	STOCKS	Number of Shares	Board's Total Ledges Value (in thous ands)
Anglo-Amer, Oil Co.	, Ltd., Capital Voting (Par £1) Co., Ltd., Capital Non-Voting	386,518	\$5,600
Anglo-American Oil	Co., Ltd., Capital Non-Voting		
(Par £1)		128,839	1,866
Atchison, Topeka &	Santa Fe Ry., Preferred Santa Fe Ry., Common	4,500	45.
Atchison, Topeka &	Banta Fe Ry., Common	3,500	373
The Atlantic Rennir	ng Co., Preferred	5,252	564 226
Sankers' Trust Co.,	Capital Line Co., Capital (Par \$50)	888 190	14
The Buckeye Pipe I	Line Co., Capital (Par \$50)	5.875	58
Consolidation Coal C	Jo., Cumulative 7% Preferred Jo., Common de Western B. R., Cum. Pref npany of N. Y., Capital	23,500	951
consolidation Coal C	de Western P P Cum Prof	1,000	49
Canitable Trust Com	ne western A. A., Cunt. Prot	4.333	691
		884	6
Tout Morthern Est.	of M W Carital	625	16
llinois Pine Line C	la Canital	13,651%	
nternational Harves	ster Co. Preferred	22,169	2,550
fanhettan Rv. Car	oital (Modified Guarantee)	14,414	645
Vational Transit Co.	Capital (Par \$12.50)	1,675	81
New York Central I	of N. Y., Capital. Do., Capital. Dier Co., Preferred. Dital (Modified Guarantee). Diapital (Par \$12.50). R. R., Capital. Ry, Common. Canital.	5,875	629
forfolk & Western	Rv., Common	4,860	46
forthern Pacific Ry	., Capital	2,200	154
The Ohio Oil Co., C	Capital (Par \$25)	163,460	9.454
Pennavlvania R. R.,	Capital (Par \$50)	15.882	884
The Prairie Oil & G.	as Co., Capital (Par \$25)	168,398	5,696
he Prairie Pipe Li	ne Co., Capital	64,800	3,69
South Penn Oil Co.,	Capital (Par \$25)	210,276	8,590
standard Oil Co. (I	as Co., Capital (Par \$25) ne Co., Capital Capital (Par \$25) ndiana), Capital (Par \$25)	19,020	206
standard Oll Co. (N	ew Jersey), Common (Par \$20).	737,680	22,494
tandard Oil Co. of	New York, Capital (Par \$25)	88,300	464
Inion Pacific R. R.	, Common	4,830	43
Inited States Steel	Corporation, Preferred	10,000	976
Western Pacific R.	R. Corporation, Preferred	6,148	199
Total Stocks			\$71,094
			Board's Total Ledges
Name	BONDS	Amount (in the	
Malambana &	Tolograph Co. 90 man Call Mount	. \$100	\$97
wmany & Ca Past	Telegraph Co., 30-year Coll. Trust Estate First Mortgage	380	354
tlanta & Charlotte	Air Line Ry., 1st Mtge, Series "A	" 100	92
Atlantic Coast Line	R. R., Louisv. & Nashy, Coll. Tru	st 194	170
Baltimore & Ohio B	Air Line Ry., 1st Mtge. Series "A R. R., Louisv. & Nashv. Coll, Tru t. R., Convertible	. 60	54
Baltimore & Ohio R.	R., Ref. & Gen. Mtge, Series "A	250	249
			416
Bethlehem Steel Co. Brooklyn-Manhattan	, 1st & Refunding Mortgage Transit Corp., Rapid Transit S nd Series "A"	. 125	111
curity Sinking Fut	nd Series "A"	. 1,411	948
arolina. Clinchfield	& Ohio Ev., 1st Mortgage	. 600	568
arolina, Clinchfield	& O. Ry., Equip. Trust Series "F	" 25	25
entral Vermont Rv.	Refunding Mortgage	. 191	172
hesapeake & Ohio	Ry., Convertible	. 135	126

local trust companies or banks which appoint a minority of the committee. Other of the committee's members are selected by mayors and judges and by officers of local educational institutions. The committee is delegated with the power of distributing the income among educational and charitable en-

Originating in Cleveland, O., in 1914, the community trust plan has now become so extensive that it is in operation in fifty-eight American cities. According to a compilation made by the Civic Department of the U.S. Chamber of Commerce, more than \$100,000,-000 is credited with having been provided in wills in the city of Cleveland alone for future administration by the Cleveland Community Trust. The present total amount held by all of the community trusts may be placed at tens of millions of dollars, with indications pointing to an aggregate of hundreds of millions of dollars in the not distant future. The community trust is still in its youth.

Added foundation investment funds are endowments to universities. certain proportion of these is real estate, but another large share comprises all forms of securities-railroad and industrial bonds and stock as well as government, state and municipal bonds. The probable total of corporation securities owned by universities can neither be ascertained nor accurately surmised.

Regulations of Foundations

Regulations of the various foundations bear an important relation to the manner in which management of their investment can affect the stock and bond market. The rules governing the

Rockefeller Foundation provide that both principal and income can be appropriated for humanitarian purposes at the discretion of the trustees. The same latitude is allowed to the trustees of the General Education Board and the Laura Spelman Rockefeller me-morial. Of \$14,852,000 allotted by the General Education Board in 1926, for instance, more than half included appropriations from principal. Harkness's will provided that income and principal of the Commonwealth Fund should be completely expended within a period of thirty years from the date of her death which was on Unlike most of the March 27, 1926. other large foundations, however, the Carnegie Corporation's charter contains no provision for the ultimate distribution of capital as well as of interest.

(Please turn to page 448)



Have Oil Shares Seen Their "Bottom"?

How Far Will Depression in Petroleum Industry Go-The Outlook for Prices—Position and Prospects for Leading Listed Stocks

By ARTHUR M. LEINBACH



BOUT the best thing that one can say for oil prospects in 1928 is that in terms of current petroleum industry statistics, it started so inauspiciously that there is more likelihood of improvement than there is of sustained depression. Every industry in its swings from

prosperity to depression has a point where conditions can be no worse—and the oil industry appears to be hovering around that point at the present

The oil review of 1927 is a "sad story." In brief this is what happened. On November 15, 1926, the oil industry was producing crude oil at the daily average rate of 2,348,676 barrels, which at the then existing prices was estimated to be worth \$4,278,000 a day. On April 15, 1927, only six months later, production had increased to 2,439,226 barrels on the daily average, but in the interval an over-supply of crude had forced several abrupt price cuts which gave the increased output a market value estimated at around only \$2,926,000. The increased production, therefore, instead of bringing large profits to the oil companies brought to the doors of the industry a dollars and cents loss of some \$1,350,000 a day.

Crude oil which brought a price of \$2.30

Drop in

a barrel in the mid-Continent district Prices for six months of 1926 to November 15, fell to below \$1.30 a barrel in March of this year and held to this level throughout the balance of the year with not very bright prospects for near future recov-ery. Once in 1921, crude oil slumped a little below this price level for a few months and again for a few months in 1923, but crude oil has not been so cheap for a period of over nine months without relief since 1915. And with production increasing in spite of drilling agreements in various fields and supplies over and above the needs of the refineries going into storage, it seems certain that the producers will be receiving "panic prices" for their crude for another three months and perhaps longer. This is the story of oil industry depression in a few words; and the leaders in the industry are not very optimistic concerning their opera-

tions for the immediate future. It is the flush production of two districts that is largely responsible for this situation -Seminole being the "fly in the ointment" throughout the year and West Texas as-suming the role in increasing prominence in recent months. Both fields have contributed lavishly to the nation's supply of crude oil, yet both fields have cut huge slices out of the normal operating profits

of the oil companies.

Contrary to the popular belief, Seminole

has not been a profitable field to date, except, of course, for the individual good fortune of operators here and there. About 125 million barrels of crude have been taken out of the ground in this district to November 1st, 1927, which after deducting royalties in kind, storage of unmarketable oil, taxes, etc., realized a revenue of about 125 million dollars, only partially repaying the 150 million cost of development and drilling in this district. In addition to being a losing proposition itself to date, Seminole has cost the industry at large many hundreds of millions of dollars in the forced price cuts resulting from over-production.

In the same measure that the industry has suffered from over-production, so have, of course, the companies engaged in this industry suffered and will continue for some time to suffer. Company profits on the whole for the first nine months of 1927 are estimated to have been reduced to about half of the profits earned in the same period of 1926. This figure means nothing as far as the individual companies are concerned, however, for the burden has not been distributed equally among the numerous companies. The small independent producing company, for example has suffered most, depending for its income principally from the crude oil it sells and having been forced to handle a larger volume of crude at a much lower gross revenue. A number of such concerns have shown deficits from their 1927 operations in contrast with net profits last year.

Most of the oil companies nowadays treat a portion of their own crude in their own refineries and many of the formerly exclusively producing companies now have their own distributing facilities for refined products. This is true even among the smaller concerns. Refining and sales profits, while narrow enough at present have not been cut to the bone to the same degree as producing profits. While selling in a lower priced market, the companies with gasoline and other refined products for sale have not suffered as much as the "primarily producing units."

Exceptions to the Rule

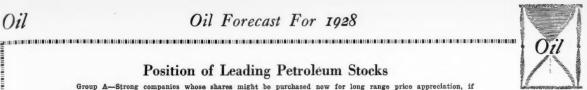
There are other concerns, principally the former Standard Oil group, which buy a large percen-

tage of their crude and are primarily refining and sales companies. Vacuum Oil is a typical example of this type of petroleum concern, which is doing well in contrast with other oil companies because it buys crude in a cheap market and maintains its sales volume by marketing a standard trade-marked grade of lubricants, the prices of which have not fallen off nearly so much as the cost of crude. This group of oil companies has been able to present a fair showing so (Please turn to page 474)



s

ET



Position of Leading Petroleum Stocks

one is prepared Group B—So warrant fresh co	to disregar and compa mmitments mpanies w	rd intermed inies whose s at this t hich would	shares ime. suffer	rice fluct should most fro	be ret	ained, but	immediate outle	e price appreciation, if laboratories and it is too uncertain to shares therefore occupy
Company	Price Range	1927	Recent	Div.	Yield	Common 1926	Stock Earnings 1927	COMMENT AND RATING
Atlantic Refining .	.131%	104	109	4	3.7	11.24	nil (9 mos.)	Heavy write-offs for intangible drilling cost absorb 9 months' earnings—trade position strong and financial condition excellent—Group B.
Barnsdall A	35½	203/4	25	$12\frac{1}{2}$		5.20	2.90 (9 mos.)	Dividends being paid in stock. Company habeen using cash to place cheap oil in storage—company sound but immediate outlool uncertain—Group B.
California Petroleur	n 321/8	20	24	1	4.1	3.34	0.74 (9 mos.)	California producers hit hard by current over production—resumption of earning power may be slow—company well managed—Group B.
Houston Oil	175¾	601/8	155	• •		3.59	6.18 (9 mos.)	Gross sales of gas for industrial use is steadily growing—profits from this division are more than offsetting small earnings from oil production—Group B.
Independent Oil .	. 323/4	175/8	26	1	3.8	5.95	3.69 (9 mos.)	Production more than doubled this year bu at a sacrifice of profits—company's trad- position not very strong—may be taken over in merger—Group C.
Marland	. 58½	31	34			6.05	nil (9 mos.)	Earned about \$2.00 a share but showed deficit after writing off intangible drilling costs—has an exceptionally strong cash position to withstand depression—Group B.
Mid-Continent Pet.	393/8	251/2	28			6.01	†5.24 (9 mos.)	Earnings have probably fallen off more than preliminary reports indicate—cash dividend: passed to preserve strong financial condition—improving its gasoline marketing—Group B
Pan-American B	663/8	431/2	45		• •	9.32	3.23 (6 mos.)	Company not well situated for present un settlement in the oil industry, but prospect of improvement in South American and Mex- ican properties warrant holding stock— Group B.
Phillips Petro	601/4	361/4	41	3	7.3	8.89	†6.50 (9 mos.)	Principally a producer and will probably have heavy charges to write off at end of year—natural gasoline and carbon business gives the company a decided trade advantage —Group B.
Producers & Refin.	. 34	163/4	251	½ ·	• •	2.44	def. (9 mos.)	Weak financially and hard hit by overproduc- tion and low prices, companies' outlook seems none too bright for next year—Group C.
Pure Oil '	. 33½	25	26	*11/2	57	‡3.70	‡3.00	Diversified operations and control of very high grade crude oil gives company stable earning power—can well hold its own through current depression—Group A.
Shell Union	31¾	245/8	26	1.40	5.3	4.10	1.10 (9 mos.)	Third largest producing company with ex- tensive refining and marketing facilities— affiliation with Royal Dutch provides world market—Group A.
Sinclair	223/8	15	18	••		3.60	2.78 (6 mos.)	Company carries large investment in storage oil in its own name and three subsidiaries —recovery to former prosperity probably slow—Group B.
Skelly	373/8	241/8	26	2	7.7	5.24	1.46 (9 mos.)	Small independent company—principally a producer and lacks adequate marketing facilities—outlook uncertain—Group C.
Standard-Calif	60¾	503/8	55	*21/2	4.5	4.38		One of largest domestic producers with ex- tensive pipe line and refinery facilities on West Coast—has led several price outting wars this year to strengthen its marketing position—Group A.
Standard-N. J	41%	351/8	39	*1	2.5	5.01		Premier petroleum organization of the world—contracts for large portion of crude supply—good investment even under present conditions—Group A.
Standard-N. Y	341/8	293/4	31	1.60	5.1	1.95		Large expenditures in recent years to develop crude supplies will prove to be more profit- able in future years than they are at present —favorable long range prospects—Group A.
Sun Oil	341/8	30	32	*1	3.1	2.88	0.52 (6 mos.)	Principally a refining and marketing com- pany—with growing earnings up to 1927— well entrenched in its sales division—should easily weather present depression—Group B,
Texas Corp	58	45	53	3	5.7	5.45	• •	One of the strongest independents with ex- tensive refining and marketing facilities in Southwest and Eastern markets—Group A.
Texas-Pacific C. & O	181/8	12	14	0.60	4.2	1.87	†2.22 (9 mos.)	Small producing co, with extensive acreage owned and leased in Texas, Mid-Continent and Montana fields—current drilling activity in Texas fields lends interest to shares— Group B.
Tidewater-Asso	191/8	15%	16			°1.38	0.17 (6 mos.)	Company faced with double difficulty of working out consolidation economies and withstanding trade depression—speculative but worth holding—Group B.
Union Oil	56½	395/8	45	*2	4.4	3½	2.24 (9 mos.)	Complete unit in oil industry with excellent financial condition and relatively good earn- ings in 1927 despite depression in the indus- try—Group B.
† Before depr. and depl.				° 9 mc				Paid in stock.

New Elements in the Technique of Market Diagnosis

A Series of Six Articles by The Magazine of Wall Street's Market Expert



PART IV
The Function of TapeReading In Modern Markets



In the first and second decades of this century, there was a school of thought which contended with a considerable degree of success that the skilled "tape-reader" was in a position of especial advantage to forecast security price changes. The corollary to this conclusion was that knowledge of "fundamentals," if not absolutely unnecessary, was at least quite a subordinate requisite as compared with an experienced even in reading ticker symbols.

experienced eye in reading ticker symbols.

Those who held this view were, as a rule, professional traders in the market who were interested in only one thing and that the tape itself. If they paid any attention at all to economic conditions such as car loadings, steel bookings, money rates and the crops, it was done perfunctorily. Their heart was not in this type of analysis; it lay with the ticker and the tape.

Their argument was that there was no need of studying economic conditions when the combined result of these conditions were reflected in the tape. Their viewpoint was

tersely expressed in the phrase "the market tells the story."

A Logical Development The emphasis which these market experts placed on the value of tape-reading may seem somewhat incomprehensi-

ble to the newer generation who have been accustomed to thinking mainly along the lines of values and fundamentals rather than in terms relating specifically to the tape. Nevertheless, to those acquainted with market conditions several decades ago, the stress laid on tape-reading seems quite logical.

In the early part of the century, manipulation of the market by important interests reached its greatest point of efficiency. The Stock Exchange at that time, compared with the present, was a comparatively small institution. The number and type of stocks listed were limited. Only about 300-400 different stocks were listed compared with the present number of over 1,100. Industries chiefly represented were the rails, by far the largest group, mining stocks, steel and a handful of others.

Automobile, tire and accessory stocks were practically unknown. Standard Oil issues were quoted on the Curb market; there were very few public utilities. During that period, control of the market rested at various times with several dominant groups and by control is meant actual control. Powerful interests could put the market up or down at will through employment of the right sort of manipulative tactics. To put the few leaders that existed at that time up or down meant to elevate or depress the entire market, since all stocks, almost without exception, moved in the same direction.

It is obvious that under these limited conditions, the func-

tion of tape-reading would become vital since a skilled reader of the tape could more or less closely appraise the intentions of the leading market interests through observation of the action of their pet stocks. With only a small number of stocks to watch, it was a comparatively simple matter to obtain an adequate picture of market conditions during almost any period.

Manipulation of stock prices had reached a point where, frequently, values counted for very little. Hence, the argument that it was more important to watch the tape than study security values had a definite basis in experience and fact. Skilled readers of the tape, though perhaps ignorant of economic conditions, were known to make large profits through their developed sense of tape-reading.

Different Situation Today Under present conditions in the market and, in fact, under those which have been developing for the past decade, the art of tape-reading has largely degenerated into a guess-work of no great order. The marotlan

SLC

ket has become so varied and has reached such enormous proportions, both as to number of industries represented and stocks listed, that it has become an impossibility for any single person to understand the market position of all the stocks listed.

Furthermore, the market has become so broad that it would be impossible, even for the most powerful financial cliques, to "manufacture" a trend except over very brief periods. Hence, it has become extremely difficult from merely watching the tape to gain an idea of what important financial interests are doing in the market.

This in itself has destroyed almost the most vital function of tape-reading and accounts for its comparative lack of usefulness today as a dependable guide to market movements.

The marked independence of stock movements, a fact stressed in this publication during the past few years, has become the most essential characteristic of stock transactions. This tendency toward independence is inevitable considering that the corporations whose stocks are listed on the Stock Exchange represent industries located in every section of the United States, are in many cases subject to local rather than national influences, are held by thousands of investors all over the country and are controlled by interests who bow the knee to no set of bankers or financiers.

This diversity of interest and circumstance has completely changed the complexion of the Stock Exchange and has made it a formidable task indeed for any person to possess intimate knowledge of more than several groups of stocks.

Organization

A Problem of The art of market diagnosis, which formerly depended almost entirely of tapereading and which, almost invariably,

was an individualized undertaking, has become today largely a matter of organization in which one group of experts supplements the work of others. Thus, we have specialists in railroad securities, others in public utilities, still others are engaged largely in analysis of petroleum companies, others, still again are deeply versed in the automobile group and so on. Where formerly one man by reading the tape could obtain a fair picture of market conditions, today it takes the combined economic diagnosis of a large staff of specialists to do so. And the demand for specialized knowledge is increasing rather than the reverse.

Under older conditions, tape-reading had a very real place and value. Today, it has lost its value to a large extent as a result of the enormous magnitude and complexity of the

Exchange.

led

he

all ole

ns

·uan nd nt

its

en

to

us

ed

all

it

al

ef

m

nt

e-

of.

S

e

n

The tape-reader of former times depended first on the tape and then on his charts. Leaving out of the discussion efforts of many theorists and cranks who were obsessed by the notion that one could read the future of a stock from a chart, there were, nevertheless, many intelligent and experienced people who claimed that charts were a great aid to them in deriving conclusions on the future for individual stocks. Even today there are quite a number who are in agreement with this view and who expend much effort and money to maintain elaborate systems of charts which, they imagine, will enable them to forecast market movements.

This was a logical development at a time when the science of market forecasting had emerged into its most romantic stage and when tape-reading was in its heyday. Today, however, it would be nothing short of ridiculous to depend on charts or such paraphernalia to determine future stock

The Value of Charts

The chart, of course, has a value as a convenient record of price movements of the It does away with depending on past.

memory and is much more convenient than a set of figures, especially when the date goes back many years. But that is where its value ends.

In about the same way, the tape has value in that it acts as a mirror of present conditions. It is a ready and convenient way of telling what is going on in the market at a given time. But that also is where its value ends.

If it had been possible for tape-reading years ago to develop into an exact science, it would have in itself ended the possibility of all price fluctuations for everyone would have been in a position to tell whether a stock were going up or down and this, of course, would have defeated the purpose of tape-reading. Pools and manipulators of the present day are quite familiar with the older notions of tape-reading and have adapted themselves to new conditions by making their operations much more subtle and therefore difficult to gauge. Hence, exclusive dependence on the old theories of tape-reading today might easily prove dangerous in that misinterpretation of the tape would quite likely be the normal result.

"Fundamentals" Important

The skilled judge of security values relies today on exact knowledge of fundamental conditions, both as regards the general market and as regards specific securities.

(Please turn to page 454)

The New Ticker System

ET.J 4C T 34 SUB 503 9 % 2524.252.3 6 3 2.88.8 90 4 4



EVERAL weeks ago, the New York Stock Exchange decided to take the imperative step of speeding-up its stock quotation system, as a result of a long sequence of two and a half million share days during which the tape became so congested that at times it ran from fifteen to twenty minutes behind the market.

Traders and others requiring precise knowledge of stock market prices during trading hours were formerly placed at a great disadvantage since there was no way of telling where their market orders would be executed during periods when the tape was excessively late.

After considerable experimenting the Stock Exchange authorities hit upon the happy expedient of abbreviating the price symbol at which transactions were quoted. Thus, instead of quoting the full figure for a stock, the quotation is given only of the last numeral and fraction. For example, under the older system U. S. Steel might be quoted as X 3. 146 7-8. This meant that three hundred shares of Steel common were sold at 146%. Under the new method the same transaction would be reported X 3. 6 7-8, leaving out the "14," it being understood that 6 7-8 refers to Steel sell-

ing at 146%. The same method is used for other stocks.

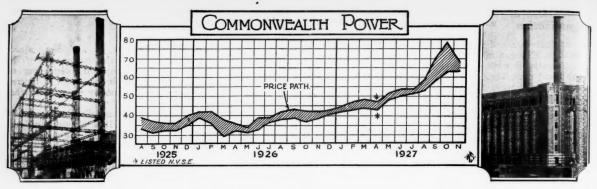
The new style has had the result of shortening the time required to report transactions, hence making it possible for the tape to be up with the market under normal conditions. Congestion, as yet, however, has not been totally eliminated but the improvement over the older system has been so great as to elicit favorable comment after traders and others had had a sufficient opportunity to study its value. The new system, it is understood, will be used when the market is active and the older system during quiet periods.

The method now in vogue will probably be in force until a new mechanical system, now in process of experimentation, will be perfected. It is expected that this new mechanical system will take at least another year until it is sufficiently developed to warrant its be-

ing adopted.

On bottom is given a facsimile of the tape under the old method and on top is given a facsimile under the new method. At first glance, to those unaccustomed to it, the new style is somewhat puzzling, but this feeling wears off after the investor has had one or two days' experience with it.

FT TG 3.51 FT 2.884 68 % 3.1058.7.4 244 6.105 2.772 3.584



Commonwealth Power—A Sound Investment

Substantial Progress Indicated for Future—"Rights"
Add to Income of Investors—Market Position

By J. T. MOLL

THE Commonwealth Power Corporation is a holding company, whose subsidiaries are engaged principally in the production and sale of electricity for light and power, and gas as fuel. The company operates, through its subsidiaries, in 611 communities located in Michigan, Illinois, Indiana, Ohio and Tennessee and having a combined population of more than 2,000,000 persons.

The companies controlled by the Commonwealth Power Corporation through ownership of stock are the Central Illinois Light Company, Consumers Power Company, Illinois Electric Power Company, Illinois Power Company, Ohio Edison Company, Southern Indiana Gas & Electric Company, Southern Michigan Light & Power Company, Tennessee Electric Power Company and Utilities Coal Corporation. The Utilities Coal Corporation owns and operates coal mines that provide in part the supply of steam and gas coal for the various plants. The parent company owns the entire common stock of each of these except one, the Tennessee Electric Power Company, 97.51% of whose com-

mon stock is held. This almost entire ownership of common stock gives the Commonwealth Power Corporation practically complete equity in the surplus earnings of its subsidiaries. quin

gro and the san

53.5 bee

Thi may sale

able

but the

tor

con

ing

wil

bef

am 192

tob

con

sha

in

spl

The the wh

rat sto wh que inv obt "lo pay at cou bill mo

Of the company's gross earnings approximately 70% is derived from the sale of electricity, about 15% from the sale of manufactured gas, less than 10% from transportation and the balance from heating, water, transportation, ice and coal. The total generating capacity is 843,650 hp. of which 289,230 hp., or 34.3% is hydroelectric. The company owns and holds in re-

Commonwealth Power Corporation

Yes	r En	ding	Ele	Number of etric Customers	Elect. Sales Kilowatt Hours	Value (000 omitted)	Number of Gas Customers	Gas Sales Cubic Ft.	Value (000 omitted							
Dec.	31,	1922	•••••	264,027	750,347	\$20,037	111,513	3,807,422	\$5,055							
Dec.	31,	1923		317,116	979,681	24,531	119,003	4,249,272	5,587							
Dec.	31,	1924	•••••	354,613	1,005,856	26,551	143,016	4,337,707	5,579							
Dec.	31,	1925	•••••	391,958	1,277,371	30,189	158,745	5,310,974	6,706							
Dec.	31,	1926		433,644	1,429,554	34,299	171,280	5,939,659	7,376							
Oct.	31,	1927	**********	461,167	1,538,754	37,318	184,449	6,478,432	7,822							

Year Ending	Gross Revenue (000 omitted)	Gross Income* (000 omitted)	Ratio of Operating Exps. to Gross Revenue
Dec. 31, 1922	\$32,145	\$13,724	57.3
Dec. 31, 1923	37,443	16,048	57.3
Dec. 31, 1924	39,315	17,367	55.8
Dec. 31, 1925	44,175	19,252	56.3
Dec. 31, 1926	49,198	22,808	53.6
Dec. 31, 1927	52,649	24,501	53.5

Note: Above figures include all present owned subsidiaries so as to be comparable.

* After operating expenses, including maintenance, Federal and other taxes, but before interest charges.

serve for the satisfaction of future requirements, properties capable of producing nearly 260,000 additional hp. The total generating capacity of the gas plants of the combined properties is 42,425,000 cubic feet daily.

The accompanying tables show the growth of sales of the company's chief products and the gross revenue, gross income and operating ratios of the com-

pany from 1922 to date.

These tables bring out the consistent growth of gross revenue and earnings and indicate substantial progress for the company in the future. At the same time operations have been incleasingly more efficient, the operating ratio having dropped from 57.3% to 53.5%. The growth in revenue has been the result of or made possible by investment of additional capital in expanding and improving properties in proportion to the increase of sales. This fact has been and in the future may be expected to be the cause for the sale of additional common stock which operation involves the issuance of valuable rights. At present the dividend rate is rather low, \$2.50 per annum, but with occasional rights interspersed the income from the stock has been substantial.

The trend of sales is a favorable factor but also of great importance is the company's ability to reduce its operating ratio. This suggests that not only will sales increase rapidly in the future but that a higher profit than ever before will be derived therefrom.

Earnings per share of common stock amounted after depreciation to \$4.09 in 1926 and \$4.68 in the year ending October 31, 1927. It is misleading to consider a past trend of earnings per share because of the radical changes in capital structure caused by stock split-ups and the sale of new securities. The stock is currently quoted at 67 on the New York Stock Exchange, at which price it yields slightly less than 4%. Its earnings of \$4.68 are equivalent to 7% on its market price. These ratios are not extremely low for a stock whose earnings are so stable and whose prospects are so good. Consequently the stock appears to be a good investment for persons who wish to obtain a security to be held for the "long pull." The preferred stock which pays \$6 annually is quoted on the Curb at 103 to yield 5.83%. This stock of course does not have expansion possibilities which are a feature of the common, but it is a security of high rank which gives a rather liberal yield and consequently may also be regarded as a favorable issue for an investor.

> Next Issue Forecast Number Business—Money— Securities

Bond Buyers' Guide

Bonds for Income Primarily

GOVERNMENT ISSUES	Prior Liens (Millions)	Prior Interest Earned on all debt	Call Price	Price	Current In- come	Yield to Maturity	
Argentine 6s, 1959. (a) Chile 6s, 1960 (a) Dominican Rep. 5½s, 1942 (a) Haiti 6s, 1952 (b) Panama 5½s, 1953 (a)	6.4		100 101G 100G 102½G	99% 91% 99¼ 100¼ 103¼	6.01 6.50 5.53 5.99 5.31	6.01 6.61 5.55 4.98 5.24	,
RAILROAD ISSUES							
Cuba R. R. 1st 5s, 1952 Central of Georgia, Ref. 5½s, 1959 Chicago & West. Ind. 1st Ref. 5½s, 1962. Erio & Jersey, 1st 6s, 1955 Great Northern, Gen. 'A' '7s, 1996(b) Kan. City Sou., Ref. & Imp. 5s, '50 Minn, 8t. P. & Sault, 1st Con. 5s, 1988. Norfolk & Southern, 1st 5½s, 1961 Peoria & Pekin Un. Ry., 1st 5½s, 1974. Rock Isl., Ark. & La., 1st 4½s, '34(b) St. Louis Southwestern, 1st Terminal & Unifying 5s, 1952	31.1 60.1 139.8 30.0	3.80 1.74 X 1.61 2.67 2.07 1.19 1.21 2.04 1.53	105G 105 115 105A 105 105G 105T	97% 108 104% 114% 115 102 98% 96% 106% 99	5.12 5.09 5.25 5.23 6.07 4.90 5.11 5.16 4.54	5.19 5.00 5,20 5.04 4.85 5.20 5.75 5.15 4.67	
PUBLIC UTILITIES							
Amer. W. W. & Elec., Coll. 5s, 1934. (b) Brooklyn City, 1st Con. 5s, 1941	5.6 1.2 10.5 40.3	1.34 3.48 2.01 2.00 2.34 1.70 2.05 2.00 2.75 2.08	1021/4 105 110T 105T 1071/2 GT 105T 1071/4 T 105GA	100% 95 101½ 99% 104 99 108¼ 103 107 106½	4.93 5.26 4.84 5.02 4.80 5.05 5.53 4.86 5.59 5.16	4.88 5.55 4.82 5.06 4.72 5.05 5.33 4.73 5.37 5.00	
INDUSTRIALS							
Betidehem Steel, P. M., 5s, 1936	5.1	2.20 4.00 7.26Y NS 1.68 X 4.46 2.91	105 105 1021/2 103 100 103T 103 105T	102½ 105 101% 87 98¾ 103½ 94 96¼	4.87 5.22 4.92 5.17 5.08 6.27 5.27 5.22	4.69 5.02 4.89 6.05 5.30 6.22 5.63 5.30	

Bonds for Appreciation of Principal Primarily

RATTROADS

Atlantic & Danville, 1st 4s, 1948		1.79		83	4.83	5.35	
Central New England, 1st 4s, 1961	0.2	0.78	105	863/4	4.61	4.79	
Chicago Gt. Western, 1st 4s, 1959		0.97		72	5.55	5.95	
Erie Gen, Lien 4s, 1996	91.6	1.46		85	4.70	4.72	
Mississippi Central, 1st 5s, 1949(b)		1.36	110A	99%	5.00	5.00	
Mississippi Central, 1st os, 1939(b)	10.4	1.28	100A	823/4	4.83	4.91	
Missouri Pacific, Gen. 4s, 1975(a)	49.4	1.48		86	4.65		
New Haven, Non-conv. Deb. 4s, 1956			* * * *			4.90	
Northern Ohio, 1st 5s, 1945	****	2.60	1000	101%	4.92	4.85	
Seaboard Air Line, Ref. 4s, 1959	46.4	1.25	105A	701/2	5.68	6.10	
Texarkana & Ft. Smith, 1st 51/2s, 1950		2.02	1071/2 A		5.18	5.05	
Western Maryland, 1st 4s, 1952(b)	2.3	1.24		85 3/4	4.67	5.00	
PUBLIC UTILITIES							
Brooklyn-Manhattan Tr., 6s, 1968(b)		1.52	105	96%	6.20	6.22	
Market St. Ry., 1st 7s, 1940(a)		2.22	1061/4 T	991/4	7.05	7.08	
Montreal Tram., 1st & Ref. 5s, 1941.(a)		1.31	105A	1001/6	4.95	4.96	
Sierra & San Francisco, 1st 5s. 1949		1.78	105	101%	4.87	4.88	
Utah Power & Light, 1st 5s, 1944		1.97	110	102	4.90	4.85	
Otall Lower & Light, 1st os, 1011		-101			2.00	2.00	
INDUSTRIALS							
B. F. Keith, 1st & Gen. 6s, 1946	4.8	4.16	104T	1001/4	5.98	5.98	
Pressed Steel Car. Conv. 5s, 1933		3.30	100	97%	5.12	5.45	
Walworth Ca., 1st "A" 6s, 1945(a)		2.73	10416T	96	6.25	6.35	
Webster Mills. 61/4s, 1933(c)		2.44	1061/2 T	96	6.75	7.35	
Webster Mins, 672s, 1933(c)		W. XX	100/21		0.15	1.00	_
American Chain, S. F. 6s. 1933(a)		6.84	105	1041/6	5.73	5.15	
American Type Founders, 6s, 1940		3.84	106	106	5.66	5.31	
California Petroleum, Conv. 5s, 1939(a)		11.56	103T	96	5.20	5.45	
Dodge Bros. Conv. 6s, 1940(a)		9.97	110T	89%	6.68	7.25	
White Sewing Machine, 6s, 1936(b)		5.60	105	1100%	5.96	5.87	
White Sewing Machine, os, 1930(b)		5.00	100	110078	0.50	0.01	
SHORT TERMS							
Cen, of Georgia Ry., Sec. 6s, June 1, '29	31.1	2.11	102T	101%	5.89	4.70	
Sloss-Sheffleld P. M. 6s, Aug. 1, 1929	1.7	4.55	105	102%	5.86	4.31	
Divso-Diction 1. 22. 08, 2108. 1, 1080				/8	00	4.04	

Note—All bonds in \$1,000 denominations, except (a) lowest denomination \$500, (b) \$100, Earnings are on five-year basis unless shorter basis is only one available. Where bonds are assumed, earnings of guarantor company are given.

Y—Recent earnings about 2.16 times. A—Callable as a whole only, T—Callable at gradually lower prices. G—Not callable until 1930 or later. X—Guaranteed by proprietary companies. NS—Not segregated. (c) Listed on N. Y. Curb Market. † Without warrants.





Hudson & Manhattan's Prospects



© Underwood & Underwood

The Hudson Terminal Buildings. Next to passenger fares the bulk of H. & M.'s revenues come from rentals for space in the huge terminal buildings in lower Manhattan.

THE steady advance in the securities of the Hudson & Manhattan Railroad Co. illustrates the possibilities inherent in any of the New York City traction systems were they allowed to throw off the incubus of the With its operations five-cent fare. under the jurisdiction of the Interstate Commerce Commission because of the interstate character of its business, it has been free from the political manoeuvres which play so large a part in the affairs of the other tractions, and the consequent ability to charge a rate of fare in excess of five cents has been a vital factor in rendering the lines self-supporting and in making possible a return on all the outstanding securities. The attainment of this position involved a struggle over a long period Preferred stockholders years. waited no less than seventeen years, from organization in 1906 until 1923, for their initial dividend, and common stockholders two years longer. Full in-

terest on the income adjustment bonds did not take place until 1922, being contingent upon earnings, the bonds having been brought out in 1913 under a drastic plan of readjustment deGrowth in Gross Revenues and Net Income

--Will Vehicular Tunnel Affect Business?

Investment Status of Securities

By G. F. MITCHELL

signed to scale down the topheavy capitalization then existing.

Bonds on Investment Basis

It is a striking commentary upon the changed state of affairs that these junior bonds, once highly speculative and within fairly recent years yielding well over 8%, have now advanced close to an investment basis where the return is about 5.5%, and that the junior stock should sell approximately on a

5% basis, which incidentally is appreciably below its high for 1927. It was pointed out in a previous analysis some months ago that the common, despite its many commendable qualities, had at that time reached a point in the market which could be justified only by some special development as yet unknown. The fact that no development of this character has as yet materialized and that the general expectation of an increase in the dividend rate has not been fulfilled, is no doubt largely responsible for the reactionary tendency noted in the shares of late. As far as dividends are concerned, the question of a higher rate appears to be only a matter of time on the basis of the present level of earnings in conjunction with their dependability.

The more obvious special developments affecting the company within the realms of possibility, aside from an increase in common dividends, are rather

distant prospects at best. The frequent report that some of the eastern trunk line railroads, notably Pennsylvania and Baltimore & Ohio are accumulating the stock for purposes of control has received no substantiation, and in

a way is rather illogical, inasmuch as such control, if desired, could have been acquired in the past on very much more favorable terms. The fact that the Newark extension is over Pennsylvania property and jointly operated with the Pennsylvania has no doubt contributed towards the persistency of these rumors because of the affiliation of interests.

ing

Nex

par

tion

tisin

tals

eral

pas

aho

cha

on

the

bro

210

eacl

tere

inco

24.8

com

abo

ina

Ad;

side

the

con

of

bor

tive

pre

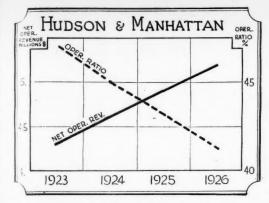
ter

cha

A more reasonable assumption of possible developments to benefit Hudson & Manhattan is in connection with the Port Authority. The New York and New Jersey Port Authority was established with the idea of gradually developing and coordinating the facilities of the port of New York, and under the law it is permitted very wide latitude in the purchase, lease or operation of any terminal or transportation line which in its opinion would promote this end. The Hudson tubes, which provide the only large scale non-water service between the two states, would naturally constitute a highly important link in any general plan along these lines, and while there is nothing to indicate that it is in prospect for the near future, it is a potential factor in the situation and one that could hardly fail to be of material benefit to stockholders unless the market appraisal of the shares should undergo a marked change for the better in the interim.

Considering only the status of the company as such, without regard to possible external developments, the feature of recent years has been a steady rather than spectacular growth in gross revenues and a relatively more rapid gain in net income, a state of affairs redounding very much to the benefit of the common stock. The record of share earnings since 1920, as shown in the accompanying table. makes an impressive exhibit, and has been accomplished as much through increasing operating efficiency as through the upward trend in volume of passenger traffic, a fact which is clearly brought out by the uninterrupted decline in operating ratio from 57% in 1920 to 41% in 1926, while common share earnings during the same period were undergoing a transformation from a deficit to \$4.63. Expenses have actually exhibited a slightly downward





trend in the face of increasing total revenues, indicating the extent to which a greater volume of traffic can be handled without a corresponding increase in the cost of doing business.

ne

as

at

d

ot

f

n

f

h

d

The great bulk of the revenues are derived from passenger fares, this being the only type of service rendered. Next in importance are rentals for office space in the huge terminal buildings in lower Manhattan and from various real estate owned in other parts of the city. A source of additional income is to be found in advertising, station concessions, etc. Rentals have undergone but little change in recent years, while advertising revenue has enhanced considerably, although the amount involved in the latter is not of sufficient size to figure very heavily.

Transportation expenses, the largest single item of operating expenses, have remained virtually stationary for several years past during a period when passenger revenues have increased about 30%. The greatest drain upon net operating revenues before capital charges are taxes, which in 1926 were in excess of the regular 21/2 % dividend on the common stock. The extent of the tax burden is perhaps more clearly brought out by a comparison with gross revenues, which shows no less than 11.3 cents paid out in taxes for each dollar of railroad revenues. Interest on funded debt exclusive of the income bonds was equivalent to about 24.5 cents, while annual charges on income bonds amounted to 18.7 cents. Funded debt including income bonds is about 63% of total capitalization, but inasmuch as interest payments on the Adjustment Income 5s are contingent upon earnings and not compulsory, it is perhaps fairer to leave them out of consideration in calculating the balance of the capital structure, in which case the ratio of funded debt would be practically reversed, amounting to only 36%.

In round numbers the capitalization consists of 76.6 millions in funded debt, of which 33.1 millions are income bonds, 52,000 shares 5% non-cumulative preferred stock, and 400,000 shares

of common stock, both classes of stock being \$100 par value. The preferred possesses additional interest, although of a long range character, because of the provision permitting its conversion

into common at a price of 110. With the common selling at less than half that figure, this is not a factor of early conse-quence and need be considered only in the light of its possible bearing on the future. Yielding less than 6% at its present market level around 86, the preferred, although on a dividend basis only four years, has achieved the distinction of a sound investment, and is not altogether unattractive despite the limited return, on the basis of prevailing

yields on railroad and public utility senior issues which have advanced appreciably in reflection of the inordinate demand for securities of this type. The First Lien and Refunding 5s of 1957, which of the two most important bond issues are closest to the property, have attained a high grade standing with a yield of less than 5%, while the transformation in the status of the Adjustment Income 5s has already been described.

The common stock is quoted on a lower yield basis than any of the securities senior to it with the exception of the first mortgage bond issues of which only one is outstanding in any sizable amount. This is by no means an unusual situation in the present market, so great has been the demand for common stocks possessing investment qualities, but in this particular case it is undoubtedly based on the expectation of some increase in the dividend rate which has not as yet ma-terialized. Common share earnings of \$4.63 in 1926, supplemented by the probable gain in store for 1927, would easily permit a more liberal rate in view of the dependable nature of the income, and unless something unexpected should occur to upset such a prospect, it should continue to be a factor in the market appraisal of the

The affairs of the company have reached a stage of solidity where the chances are that new developments will be favorable rather than otherwise. In addition to the possibilities already outlined in this connection,

there is the question of a fair return on the value of the property, which is not yet being obtained in spite of the great improvement in evidence. No efforts are being made to secure a higher rate of fare, so that it is not a factor in the immediate situation but it does provide reasonable assurance against any possible compulsory reduction in fares. At

the worst, then, earning power should hold its own even if it does not have the benefit of continued growth in traffic. Inasmuch as the company provides the only rapid transit facilities between New Jersey and New York, an almost indispensable service to a large commuting population, continued growth on a moderate scale at any rate seems inevitable even if of smaller proportions than that of the last few years, the migration to New Jersey in the period following the conclusion of the war having been very marked owing to congestion and high rentals in New York City.

Competition from Vehicular Tunnel?

The suggestion has been made that traffic might be affected by the opening of the Holland vehicular tunnel, but this is hardly a logical assumption except perhaps as a temporary condition induced by the novelty of the new medium of transportation. Hudson & Manhattan is a passenger service exclusively, offering no competition for freight traffic, and as far as passenger traffic is concerned, the type of travel using the Hudson tubes would hardly be diverted to the vehicular tunnel except on a negligible scale.

The capital structure has undergone no change for many years and should require little if any revision in the near future. With less chance of having their equities diluted through the creation of additional prior issues, stockholders are in a better position than in the case of many companies to calculate their future status with a fair degree of accuracy. They may figure that the percentage of total railroad revenues applicable to the common stock will do no worse than remain approximately 21% as shown in the last annual report, and subject to possible increase in the event of continued gains in gross.

The securities of Hudson & Manhattan have a definite appeal to the investor, the selection depending upon the type of investment desired. The common stock around 50, while probably discounting the prospect of a higher dividend to some extent, is at the same time soundly situated on the basis of present earning power and the inherent stability of income, besides being the type of holding where the chances for gradual enhancement in value predominate.

Hudson & Manhattan

	1920	1923	1924	1925	1926
Passenger Fares (millions)	\$6.4	\$7.8	\$8.0	\$8.1	\$8.3
Non-operating Income					
(millions)	1.3	1.8	1.9	1.8	1.9
Working Capital (millions)	1,6	1.7	2.1	1.6	2.2
Surplus (millions)	Def.	1.4	2.8	3.2	5,5
Common Share Earnings	Def.	2.74	3.33	3.49	4.63

42 Roads Compared As To Sources of Revenue and Type of Freight Carried

And Hamister Coast Linee	T.	Total Miles Main Track Operated (owned or leased)	Frincipal States In Which Road Operates	% Operating Revenue from Freight	6 Operati Revenue from Passenge	originating on rs Own Lines	Products of Agriculture	Products of Animals	Classification of Traffic (For Cent) — oducts Products Products of of of of inimals Mines Forests	(Per Cent) Products of Forests	Manufactures and Miscellaneous
c & Ohio. 3.179 Pa, W. Va, Md, O, Ind, III. Fil. 65 4.26 10.81 0.82 9.41 2.8 c & Ohio. 2.180 Mass, N. H., Maine. III. 63 24 28 14.40 2.72 28.77 11 Pacific 2.180 Mass, N. H., Maine. N. D., Canada. 71 17 N.R.	Top. & S.		, Col., N. M.,		19	80	20.26	3.30	39.49	6.46	30.49
& Maine 3.179 Pa, W. Va, Md, O., Ind, III. 82 11 65 4.26 1.08 6.288 11 65 4.26 1.08 6.288 11 11 11 12 14.40 2.72 28.21 11 11 Pacific 12 12 12 2.22 1.05 12 28.22 1.05	Atlantic Coast Line	4,931	C., S. C., Ga., Ala., Fla	02	21	99	10.51	0.82	39.41	22.53	26.73
k Maine 2.180 Mass, N. H., Maine Mass, N. H., Maine 1.1 1.440 2.72 2827 1.1 Pacific 1.5655 Me., Wis, Minn, N. D., Canada 7.1 1.7 N.R.	Baltimore & Ohio	5,179	W. Va., Md., O., Ind., Ill	82	11	65	4.26	1.08	62.88	4.21	27.57
R.R. of In. 1.5,655 Me., Wis., Minn., N. D., Canada. 7.1 1.7 N.R. N.R. <td>8</td> <td>2,180</td> <td>N. H., Maine</td> <td>63</td> <td>24</td> <td>28</td> <td>14.40</td> <td>2.72</td> <td>28.27</td> <td>10.83</td> <td>43.78</td>	8	2,180	N. H., Maine	63	24	28	14.40	2.72	28.27	10.83	43.78
R.R. of N. J. 691 N. J. Pa. 77 15 38 2.02 1.05 55.28 ske & Obio 2.646 Va., W. Va., Ky., Ind 88 7 88 1.91 0.22 86.44 Fill groun Q Quino. 2,646 Va., W. Va., Ky., Ind Wis., Ind., Minn., No., No., Mich., S. D., No., Mich., 77 15 16 54 8.17 1.19 59.75 wanke & St. Paul 11,193 Wis., In., Minn., Mich., S. D., Mo., Mich., 77 77 12 70 12.80 5.42 38.09 1 & North Western 8,55 Wis., In., Minn., Mich., S. D., No. 71 17 65 10.84 4.87 49.43 1 & Southern 1,820 Col., Tex. No. D., No., Ark., Tex. 74 17 65 13.46 4.87 49.43 1 & Southern 1,820 Col., Tex. No. Y. 75 15 66 8.46 2.34 5.03 & Rio Grande W 2,563 Col., Utah 11 76 13	Canadian Pacific	15,655	Wis., Minn., N. D., Canada		11	N.R.	N.R.	N.R.	N.R.	N.R.	N.R.
ke & Ohio		169			15	38	2.02	1.05	55.28	2.46	39.19
& Eastern Illinois 9404 Ill., Ila., Mo., Kan., Neb., Wis., Col., Minn., S. D., 75 15 69 18.82 6.76 44.11 & Eastern Illinois 945 Ill., Ind. Mont., Ida., Minn., N. D., S. D., Mo., Mich., 77 16 54 8.17 1.19 59.75 & Naukee & St. Paul 11,193 Wis., Ill., Ind., Minn., N. D., S. D., Mo., Mich., 77 12 70 12.80 5.42 38.09 1 & North Western 8,459 Wis., Ill., Minn., Minn., Minn., N. D., S. D., Mo., Mich., 71 17 65 10.84 4.87 49.43 1 & Southern 1,820 Col., Tex. 74 17 62 23.36 5.17 35.08 & Sauthern 1,820 Col., Tex. 76 15 8 60 4.48 0.60 69.10 ck and Mont. 1,820 1,820 1,74 2.62 35.04 35.04 Respectively 1,820 1,74 1,74 1,74 1,74 1,74 1,74 1,74 <	8	2,646		888	7	88	1.91	0.22	86.64	2.94	8.29
& Eastern Illinois 945 III., Ind. Ind. To 16 54 8.17 1.19 59.75 wankee & St. Paul 11,193 Wis., Ill., Ill., Minn., N. D., S. D., Mo., Mich. 77 12 70 12.80 5.42 38.09 1 & North Western 8,459 Wis., Ill., Minn., Mich., S. D., Neb. 71 75 16 18.40 4.87 49.43 1 & North Western 1,820 Col., Tex. 76 15 58 17.14 2.62 50.03 & Eadwanna & West 982 New York 86 8 60 4.48 0.60 69.10 ckawanna & West 987 N. Y., N. J., Penn. 73 15 66 8.46 2.34 56.34 A. Rio Grande W. 2,563 Col., Unth III 44 81 10 8.13 13.4 55.01 A. Rio Crande W. 2,563 Minn., N. D., Penn., O., Ind., III. 79 11 88 15.06 1.25 60.15 1.25	Chie. Burlington & Quincy	9,404	Kan, Neb., Wis., Col., Minn., S.		15	69	18.82	97.9	44.11	5.64	24.67
1 11,193 Wis., III., Ila., Minn., N. D., S. D., Mo., Mich., 17 77 12 70 12.80 5.42 38.09 1 8,459 Wis., Ila., Minn., Mich., S. D., Neb. 71 74 17 65 10.84 4.87 49.43 1 1,820 Wis., Ila., Minn., Mich., S. D., Neb. 74 17 62 23.36 5.17 35.08 1,820 Col., Tex. 76 15 58 17.14 2.62 50.03 1,820 Col., Tex. 86 8 60 4.48 0.60 69.10 1 987 N. Y., N. J., Penn. 76 13 72 8.32 2.42 70.74 2,563 Col., Utah 76 13 72 8.32 2.42 70.74 2,553 Col., Utah 79 11 88 15.06 1.72 60.15 1 8,188 Minn., N. D., S. D., Mont., Ida., Wash 79 11 88 15.06 1.72 60.15 1	8	945	[I], Ind	75	16	54	8.17	1.19	59.75	7.65	23.24
8,024 Wis., Ia., Minn., Mich., S. D., Neb. 71 17 65 10.84 4.87 49.43 1 8,024 Ia., Ill., Minn., Kan., Okla., Col., Ark., Tex. 74 17 62 23.36 5.17 35.08 1,820 Col., Tex. 76 15 58 17.14 2.62 50.03 1,820 New York 86 8 60 4.48 0.60 69.10 1 987 N. Y., N. J., Penn. 73 15 66 8.46 2.34 56.34 2 2,563 Col., Utah 76 13 72 8.32 2.42 70.74 2 2,317 N. Y., N. J., Penn., O., Ind., Ill. 44 81 10 8.73 1.84 55.01 8,188 Minn., N. D., S. D., Mont., Ida., Wash. 79 11 88 15.06 1.72 60.15 1 349 Ohio 10 86 4 12 12 13 0.30 86.18 86.18	Chi. Milwaukee & St. Paul		Minn., N. D., S. D., Mo., Wash		12	70	12.80	5.42	38.09	19.04	24.65
ac 8,024 Ia., III., Minn., Kan., Okla., Col., Ark., Tex 74 17 62 23.36 5.17 35.08 1,820 Col., Tex	Chicago & North Western	8,459	Mich., S. D., Neb		17	99	10.84	4.87	49.43	10.73	24.13
West 987 N. Y., N. J., Penn., O., Ind., Ill. 76 15 58 17.14 2.62 50.03 West 982 New York 86 8 60 4.48 0.60 69.10 West 987 N. Y., N. J., Penn. 73 15 66 8.46 2.34 56.34 e. W. 2,563 Col., Utah 76 13 72 8.32 2.42 70.74 2,317 N. Y., N. J., Penn., O., Ind., Ill. 44 81 10 8.73 1.84 55.01 8,188 Minn., N. D., S. D., Mont., Ida., Wash. 79 11 88 15.06 1.72 60.15 1 349 Ohio Ohio 4 12 12 139 0.30 86.78	Chi., Rock Island & Pac	8,024	", Kan., Okla., Col., Ark.,	74	11	62	23.36	5.17	35.08	6.62	29.77
West 987 N. Y., N. J., Penn. 73 15 66 8.46 2.34 56.34 West 987 N. Y., N. J., Penn. 76 13 72 8.46 2.34 56.34 In W. 2,563 Col., Utah 76 13 72 8.32 2.42 70.74 Minn. 2,317 N. Y., N. J., Penn., O., Ind., III 44 81 10 8.73 1.84 55.01 Minn. N. D., S. D., Mont., Ida., Wash. 79 11 88 15.06 1.72 60.15 1 Mark 349 Ohio 12 12 12 139 0.30 86.78	8	1,820	Tex.		15	58	17.14	2.62	50.03	4.84	25.37
West 987 N. Y., N. J., Penn. 73 15 66 8.46 2.34 56.34 le W. 2,563 Col., Utah 76 13 72 8.32 2.42 70.74 2,317 N. Y., N. J., Penn., O., Ind., Ill. 44 81 10 8.73 1.84 55.01 8,188 Minn., N. D., S. D., Mont., Ida., Wash. 79 11 88 15.06 1.72 60.15 1 349 Ohio 86 4 12 139 0.30 86.78	3	882			8	09	4.48	09.0	69.10	5.29	20.53
ver & Rio Grande W. 2,563 Col., Utah Tol. Tol. 13 72 8.32 2.42 70.74 Northern S.317 N. Y., N. J., Penn., O., Ind., III. 44 81 10 8.73 1.84 55.01 Northern 8,188 Minn., N. D., S. D., Mont., Ida., Wash 79 11 88 15.06 1.72 60.15 1 king Valley 349 Ohio 86.78 4 12 1.39 0.30 86.78					15	99	8.46	2.34	56.34	3.06	29.80
Northern 2,317 N. Y., N. J., Penn., O., Ind., III 44 81 10 8.73 1.84 55.01 Northern 8,188 Minn., N. D., S. D., Mont., Ida., Wash. 79 11 88 15.06 1.72 60.15 1 king Valley 349 Ohio 86.78 86.78 86.78	& Rio Grande			92	13	72	8.32	2.42	70.74	4.18	14.34
Northern 8,188 Minn., N. D., S. D., Mont., Ida., Wash. 79 11 88 15.06 1.72 60.15 1 king Valley 349 Ohio 86.78 86.78 86.78	Erie	2,317	Y., N. J., Penn., O., Ind.,	44	81	10	8.73	1.84	55.01	3.52	30.90
349 Ohio	Northern	8,188	, S. D., Mont., Ida., Wash		11	88	15.06	1.72	60.15	11.69	11.38
	Hocking Valley				4	12	1.39	0.30	86.78	1.13	10.40

Illinois Central	4,875	III., Wis., Ind., Ky., La., Miss., Tenn., Ala., Neb., Ia., S. D., Mo., Minn.	2.2	15	61	12.08	2.40	52.14	12.45	20.93
Kansas City Southern	865	Mo., Kan., Ark., Okla., La., Tex	83	7	49	8.0	2.4	32.4	18.4	38.8
Lehigh Valley	1,364	Pa., N. J., N. Y.	83	6	58	8.99	1.60	56.56	2.08	30.77
Louisville & Nashville	5,038	Ky., Tenn, Ala., Fla., Miss., Ga., La., N. C., Va., Ill., Ind., O., Mo	62	15	87	4.75	0.79	73.73	6.11	14.62
Minn., St. Paul, S. Ste. Marie	4,400	Wis., Minn., N. D.	78	12	69	13.56	2.96	38.01	24.80	20.67
Missouri-Kansas-Texas	3,189	Mo., Kan., Okla., Tex	72	14	28	21.99	3.45	25.57	3.67	45.32
Missouri Pacific	7,347	Mo., Kan., Neb., Col., Ill., Ark., La., Okla	80	12	89	16.48	2.54	40.84	15.55	24.59
N. Y. Central	6,928	N. Y., Pa., O., Ind., III., Mich., W. Va., Mass., N. J. and Que., Ont	62	25	35	6.42	2.21	58.12	3.57	29.68
N. Y. Chicago & St. Louis	1,692	O, Ind, III	93	89	32	13.26	4.89	37.14	5.95	38.76
N. Y., N. H. & Hartford	1,917	Mass., R. I., Conn	51	37	32	9.50	2.58	35.04	5.26	47.62
Norfolk & Western	2,241	Va., W. Va., Ohio	06	9	80	2,19	0.32	84.61	3.73	9.15
Northern Pacific	6,682	Minn., N. D., Mont., Ida., Wash	78	12	74	17.99	2.07	26.27	38.36	15.31
Pennsylvania	10,527	Pa., N. J., N. Y., Md., O., Ind., Ill., Mich	20	21	55	4.32	0,95	62.93	3.85	27.95
Pere Marquette	2,247	Mich.	92	80	48	8.84	0.78	52.24	6.28	31.86
Reading	1,138	N. J., Pa., Del	87	6	36	2.64	0.91	64.61	2.60	29.24
St. Louis-San Francisco	5,603	Ala., Ark., Fla., Kan., Mo., Miss., Okla., Tenn., Tex.	75	17	89	13.93	2.16	37.32	11.85	34.74
St. Louis Southwestern	1,748	Ill., Mo., Ark., Tex	82	8	22	18.89	1.01	22.87	25.48	31.75
Seaboard Air Line	3,616	Va., N. C., S. C., Ga., Fla., Ala	72	18	28	19.61	1.12	41.43	15.69	32.15
Southern Pacific	13,280	La., Tex., N. M., Ariz., Nev., Cal., Ore., Mexico	29	18	73	15.79	2.67	34.88	21.67	24.99
Southern Railway	6,795	Va., N. C., S. C., Tenn., Ga., Ala., Ky., Ind., Ill	72	19	54	9.72	0.99	44.21	15.97	29.11
. Texas & Pacific	1,953	Tex., La.	74	17	54	22.60	2.80	15.69	16.12	42.79
Union Pacific	9,647	Neb., Kan., Col., Wyo., Ida., Utah, Ore., Wash	92	14	69	25.93	4.44	32.24	16.64	20.75
Wabash	2,524	Mich., O., Ind., Ill., Mo., Ia	62	12	26	14.59	4.57	37.32	5.34	38.18
N.R. Not reported	1									



What the Investor Should Look for in Appraising New Listings on the Stock Exchange

By ROBERT E. STANLAWS

NE of the most striking developments of recent years in the security markets is the noteworthy expansion of public interest. Listings on the New York Stock Exchange scarcely a decade ago were relatively but a handful compared with the great array of stocks which now make their daily appearance upon the ticker tape. In the "good old days," the market was made up largely of rails and a scattering of industrial leaders whose fluctuations were easily influenced by the manipulation of a few bell-wethers. Price swings of the list, as a whole, followed fairly regular cycles, led by these "primary"

leaders. But in recent times, vast changes have been worked in the listed market.

Manipulation and speculation still play their respective roles. Corporation ownership, however, has passed from the hands of the few to those of the many to such an extent that it is no longer within the power of interested groups to sway the course of the general market as of yore.

The stock market, representing as it now does, substantially every important phase of trade and industry, has acquired a degree of stability, which it formerly lacked, by virtue of its sheer diversity and the rapid spread of public security ownership.

THIS article includes the market ratings of a number of securities more or less newcomers to the New York Stock Exchange. The tables should be studied carefully as they afford a valuable basis of comparison

The Place of the Small Investor

The public utilities may be said to have blazed the way for the socalled small investor's participation in corporation activities. Long ago, these companies recog-

nized the strategic importance of starting a back-fire against political agitation and overweening governmental regulation by securing the financial support of the masses.

Probably, however, no other event accomplished so much in this direction as our entry into the World War. The colossal sums required to finance the government's war needs demanded extensive public borrowing, resulting in successive Liberty Loan campaigns. Through these, a broader interest in securities and the security markets was aroused and thousands learned the habit of saving and investing who

had never before had thought or knowledge of such matters.

Thus, an unusually favorable background was created for the era of enlarged public financing by corporate enterprises and the introduction of new industries to the Stock Exchange which followed. Not alone the larger companies, whose requirements for additional capital from time to time run to a magnitude requiring the support of a great mass of investors, but even many of the very small concerns have found the public a more convenient reservoir of credit than private sources.

Security listing upon the New York Stock Exchange has, of itself, contributed to the publicity necessary to attract investor attention and facilitate the sale of stocks or bonds, as the case may be. The public's broader education in things financial has made it more receptive to the purchase of new securities than ever before. This situation has ob-

vious advantages to the latter as well as the corporations seeking capital. For the investor, it opens up new and frequently profitable fields for investment which were formerly closed. For the corporations, it permits the raising of funds on more reasonable terms and without the exacting restrictions or control over its business which a private lender or group of lenders would be apt to demand.

At the same time, it behooves the investor to pay some attention to the motives which prompt these security offerings for it does not follow necessarily that their qualities in respect to speculative or investment merit are determined solely by "newness."

In considering the various factors by which stocks newly listed, or those which have made their bow upon the New York Stock Exchange within relatively recent times, may be judged, it will prove helpful to trace the sources of their origin.

Primary
Markets

Probably the most prolific of these are the New York Curb and the Overthe-Counter market. The Big Board is constantly drawing graduates from these two "train-

Compar	isc	n a	nd	Ra	tin	g (of i	6	
-		rke				0			
		PLANE			JRING	Recent	Dividend	Yield	
Issue	1925	1926	*1927	High	Low	Price	\$	%	Rating
Curtiss Aero & Mot Wright Aeronautical	def. 2.85	0.97 2.80	3.00 4.00	59 88	43 24	59 88	1	1.1	
		BREA	D BAK	ING					
Continental Baking "A"	17.26	8.41	5.50	95	33	52	4	7.7	A
Cushman's Sons	4.79	7.07	10.00	152	- 77	132	§4	3.1	
Purity Bakeries "B"	3.38	5.82	8.00	98	41	92	2	2.2	
Ward Baking "B"	2.19	2.71	2.25	85	17	28	•••	,	A
	В	USINES	s EQUI	PMEN'	\mathbf{T}				
Burroughs Adding Machine	†5.19	†6.4 8	†8.50	140	90	139	¶4	2.9	• •
Int'l. Business Machine	4.89	6.51	7.00	103	38	103	5	4.8	В
National Cash Register	7.07	6.15	6.00	54	39	47	3	6.4	В
Remington-Rand	2.48 0.51	3.16 0.72	0.75 1.00	47 17	20 11	24 16	0.60	3.7	A
Coty, Inc.	8.09	9.52	SMETIC 11.50	119	44	118	¶6	5.1	
V. Vivaudou	1.31	3.37	2.75	39	21	21	s10	10.0	••
		DAIRY	PROD	UCTS					
Kraft Cheese	4.28	n3.22	nf.	68	49	55	**11/2	2.7	
National Dairy Prod	†3.17	†5.60	8.00	†68	59	62	3	4.8	В
Southern Dairies "A"	6.16	5.03	nr.	82 55	38 15	95	3	3.1	Α.
Western Dairy "A"		7.28	8.00	57	55	55	4.0	7.3	
	FIRE	FIGHT	ING AF	PARA	TUS				
American La France Foamite	1.60	0.90	nil.	15	4	5	***		
eagrave	2.49	2.25	1.75	14	8	13	1.2	9.2	
National Dairy Prod. Reid Ice Cream	но	USEHOI	LD APP	LIANC	ES			-	
Electric Refrigeration	4.07	4.33	nil	78	5 .	8		••••	• •
Cureka Vacuum Cleaner	6.19	7.16	7.75	77	43	75	s¶41/4	5.7	
Taytag Company	2.74	4.26	3.50	34	19	32	¶3	9.4	
avage Arms	5.85	7.02	2.50	102	43	63	4	6.4	• •
Vhite Sewing Machine	3.77	3.98	4.75	53	21	40		••••	••
	H	OUSEHO	LD RE	MEDIE	S				
merican Home Products	3.38	3.69	4.25	71	23	67	2.4	3.6	
lousehold Products	4.46	5.22	5.50	70	40	65	14	6.2	R
		(Please tu	rn to pag	ye 431)			÷		

ing" schools and many of its star performers formerly played equally prominent parts in either-sometimes both-minor markets. It is a comparatively simple matter to trace the antecedents of stocks which fall in this category. In fact, their history and fundamental characteristics are usually well known in advance of listing, by virtue of the public's contact with them on the primary exchanges. Then again, such stocks, in most cases, are well seasoned issues, having been time tested in markets that fluctuate broadly in harmony with New York Stock Exchange securities.

Another source of new listings whose merits and possibilities are susceptible to relatively easy analysis, is the consolidation of existing enterprises. In such cases, new securities are created either through the formation of holding companies, organized to acquire the stocks of going concerns in exchange for those of the newly formed parent company, or through the direct amalgamation of one or more operating companies. Sometimes these mergers bring to the Big Board securities which are altogether new to the public as in the case where the consolidation is one involving enterprises altogether privately owned prior to re-

capitalization and amalgamation.

For the most part, however, the earning power and financial status of the constituent units are matters of record and hence those of the consolidation can be appraised without difficulty. If the past history and prospects of the latter are good, it may be assumed that the newly created corporation will be equally or more productive, provided its sponsors have not been tempted to over-capitalize. It is necessary also to look for inflation in another direction, however, since the speculative activity which usually precedes actual merging of the original companies is apt to be carried over into the securities of the successor. In other words, the stock of a newly consolidated group must usually be subjected to a varying period of seasoning in the market before it finally settles down to a price level where the speculative following is eliminated and the investor justified in stepping in.

Breaking Up of Family Holdings

Opposed to the tendency toward concentration of control in some industries, there is an equally pronounced trend toward decentralized ownership in others.

this trend has actually been greater, or only seemingly so, of late years is beside the point. It is certain, in any event, that many of the new securities that have come to market represent the breaking up of family holdings in enterprises which were built up by the genius of one or two individuals. Some of these have risen to a front rank position in their respective fields. Apparently, the United States has now reached a period in its economic history where the enterprises founded by the industrial pioneers are now passing to the hands of a younger generation which it either lacks experience in the hard school which made their forebears successful captains, or perhaps, being made indolent by the easy inheritance of riches, are prone to pass their responsibilities on to others. Since many of such one time closely held companies represent activities which formerly had little or no contact with public security markets, their rapid introduction into the New York Stock Exchange over recent years has made this a truly cosmopolitan

The public's ready absorption of new securities has greatly promoted the distribution of such family holdings. Whether the original owners seek to sell out, lock, stock and barrel, or prefer to retain a con-trolling interest and merely make the investor a minority partner in the business, they have resorted to the expedient of selling to the mass of investors for the identical reasons that actuate corporations already well known to the rank and file. That is to say, because of the more favorable terms which may be realized from a sale to the general public as compared with a private disposal.

Since, almost without exception, a reorganization of capital structure precedes the offering of securities (Please turn to page 463)

NOTICE

The next number is our Annual Forecast issue and will cover:— 1928 prospects for business, money and securities.

 \P An entire section is set aside for the purpose of analyzing the situation in leading industries including the following: railroads, public utilities, mining, steel, automobiles and allied industries, sugar and the various equipment industries. Many of the leading stocks representing these industries will be commented on.

In addition, we shall publish a forecast of what we consider will be among the market leaders in 1928. This feature which was first published in the early part of 1927 and forecasted the market leaders for the year just ended proved so successful as to encourage us to attempt the same feature for 1928.

Among other interesting and valuable articles are our analyses of the stock and bond markets and a special section devoted to preferred stocks.

HOUSEHOLD CLEANSING PREPARATIONS Clear	Comparison and F	Ratin	ng of	16 M	larket	t Gr	oups	[Cor	ntinu	ed]
Issue 1925 1926 *1927 High Low Price Divided Yield Telerling Products 7.84 8.65 9.50 143 75 137 ¶7 5.1							•			
HOUSEHOLD CLEANSING PREPARATIONS Cold Dust 3.73 3.01 G6.34 78 41 77 3 3.9	Issue						Recent			Ratin
HOUSEHOLD CLEANSING PREPARATIONS Son Ami, Class A 9.91 10.50 11.25 68 53 65 4 6.2 Fold Dust 3.73 3.01 G6.34 78 41 77 3 3.9 MISCELLANEOUS MANUFACTURING Comerican Machine & Foundry 3.28 4.73 8.00 187 65 184 ¶3 1.6 Valworth Company 2.08 1.58 2.00 24 12 17 1.2 7.0 (ale & Towne 6.43 6.32 6.25 84 60 73 ¶5 6.9 B MUSICAL INSTRUMENTS & RADIO Comerican Piano 5.27 6.26 def. 43 22 24 Corunswick-Balke-Collander def. 4.48 nf. 39 24 31 3 10.3 adio Corporation 2.34 3.56 5.00 101 32 85 Cictor Talking Machine 10.16 7.00 54 32 53 A PAINTS Devoe & Raynolds "A" 3.25 4.77 3.50 104 31 40 2.4 6.0 Cictor Talking Machine 10.16 7.00 54 32 53 A PHARMACEUTICAL MANUFACTURERS ambert Company 3.69 5.14 7.75 88 39 84 ¶6 7.1 chin & Fink Products 5.44 5.00 43 30 39 3 7.7	Sterling Products							•		
MISCELLANEOUS MANUFACTURING	Vick Chemical	4.56	5.30	J5.36	63	44	60	4	6.6	В
MISCELLANEOUS MANUFACTURING Sumerican Machine & Foundry 3.28 4.73 8.00 187 65 184 ¶3 1.6	HOUS	EHOL	D CLE	CANSING	F PREP	ARAT	TIONS			
MISCELLANEOUS MANUFACTURING	Bon Ami, Class A	9.91	10.50	11.25	68	53	65	4	6.2	
Martican Machine & Foundry 3.28 4.73 8.00 187 65 184 ¶3 1.6	Gold Dust	3.73	3.01	G6.34	78	41	77	3	3.9	• •
Valworth Company	MI	SCELI	LANEO	US MAI	NUFAC	TURI	NG			
MUSICAL INSTRUMENTS & RADIO	American Machine & Foundry	3.28	4.73	8.00	187	65	184	¶3	1.6	
MUSICAL INSTRUMENTS & RADIO merican Piano 5.27 6.26 def. 43 22 24 runswick-Balke-Collander def. 4.48 nf. 39 24 31 3 10.3 adio Corporation 2.34 3.56 5.00 101 32 85 ictor Talking Machine 10.16 7.00 54 32 53 A PAINTS evoe & Raynolds "A" 3.25 4.77 3.50 104 31 40 2.4 6.0 PHARMACEUTICAL MANUFACTURERS ambert Company 3.69 5.14 7.75 88 39 84 ¶6 7.1 ehn & Fink Products 5.44 5.00 43 30 39 3 7.7	Walworth Company									
PAINTS Paint Pai	Tale & Towne	6.43	6.32	6.25	84	60	73	¶5	6.9	В
PAINTS P	M	USICA	L INS	FRUME	NTS &	RADI	0			
PAINTS P	American Piano			def.						
PAINTS Pevoe & Raynolds "A". 3.25 4.77 3.50 104 31 40 2.4 6.0 Clidden Company 4.06 3.24 2.25 25 14 20 PHARMACEUTICAL MANUFACTURERS ambert Company 3.69 5.14 7.75 88 39 84 ¶6 7.1 ehn & Fink Products 5.44 5.00 43 30 39 3 7.7	Brunswick-Balke-Collander							3	10.3	
PAINTS Devoe & Raynolds "A". 3.25 4.77 3.50 104 31 40 2.4 6.0 Clidden Company 4.06 3.24 2.25 25 14 20 PHARMACEUTICAL MANUFACTURERS ambert Company 3.69 5.14 7.75 88 39 84 ¶6 7.1 chn & Fink Products 5.44 5.00 43 30 39 3 7.7	Radio Corporation									
Pervoe & Raynolds "A" 3.25 4.77 3.50 104 31 40 2.4 6.0 PHARMACEUTICAL MANUFACTURERS ambert Company 3.69 5.14 7.75 88 39 84 ¶6 7.1 ehn & Fink Products 5.44 5.00 43 30 39 3 7.7	/ictor Talking Machine	••••	10.16	7.00	54	32	53	•••	••••	A
PHARMACEUTICAL MANUFACTURERS ambert Company 3.69 5.14 7.75 88 39 84 ¶6 7.1 ehn & Fink Products 5.44 5.00 43 30 39 3 7.7				PAINTS						
PHARMACEUTICAL MANUFACTURERS ambert Company 3.69 5.14 7.75 88 39 84 ¶6 7.1 ehn & Fink Products 5.44 5.00 43 30 39 3 7.7	Devoe & Raynolds "A"	3.25	4.77	3.50	104	31	40	2.4	6.0	
ambert Company	Glidden Company	4.06	3.24	2.25	25	14	20		****	•••
ehn & Fink Products 5.44 5.00 43 30 39 3 7.7	PHA	RMA	CEUTIC	CAL MA	NUFAC	TURI	ERS			
	ambert Company	3.69	5.14	7.75	88	39	84	16	7.1	
RESTAURANT hilds Co. 3.91 3.83 3.25 66 45 52 ‡2.4 4.6 B xchange Buffet 1.50 1.64 nf. 19 14 19 1.5 7.9 hattuck, (F. G.) Co. 4.03 4.38 5.00 101 47 90 2 2.2 hompson (J. R.) Co. 4.94 6.26 6.50 65 42 64 3.6 5.6 Yaldorf System, Inc. 1.90 2.00 2.15 25 19 20 1.5 7.5 SHAVING MATERIALS mer. Safety Razor 5.24 4.92 4.00 70 42 57 ¶4¼ 7.5 uto Strop "A" N5.73 46 43 45 3 6.7 illette 6.04 6.66 7.00 109 95 99 ¶5 5.1 B SOFT DRINKS anada Dry Ginger Ale 2.88 3.85 5.00 60 32 54 ¶3¼ 6.0 coa Cola †7.24 †8.25 †8.75 †129 96 124 5 4.0 Thic Rock Min. Spgs. 3.80 3.26 3.75 41 22 37 ¶3 8.1 n—Nine months. nf—No data. † On basis of present capitalisation. G—Actual, prese ended August 31. ‡Plus 4% in stock. EXPLANATION OF RATINGS:	ehn & Fink Products		5.44	5.00	43	30	39	3	7.7	••
hilds Co. 3.91 3.83 3.25 66 45 52 ‡2.4 4.6 B xchange Buffet			RES	TAURA	NT					
Xchange Buffet 1.50 1.64 nf. 19 14 19 1.5 7.9	Childs Co	3.91	3.83	3.25	66	45	52	‡2.4	4.6	В
hattuck, (F. G.) Co. 4.03 4.38 5.00 101 47 90 2 2.2 hompson (J. R.) Co. 4.94 6.26 6.50 65 42 64 3.6 5.6 Valdorf System, Inc. 1.90 2.00 2.15 25 19 20 1.5 7.5 SHAVING MATERIALS mer. Safety Razor 5.24 4.92 4.00 70 42 57 ¶4¼ 7.5 uto Strop "A" N5.73 46 43 45 3 6.7 illette 6.04 6.66 7.00 109 95 99 ¶5 5.1 B SOFT DRINKS anada Dry Ginger Ale 2.88 3.85 5.00 60 32 54 ¶3¼ 6.0 oca Cola †7.24 †8.25 †8.75 †129 96 124 5 4.0 Thite Rock Min. Spgs. 3.80 3.26 3.75 41 22 37 ¶3 8.1 n—Nine months. nf—No data. † On basis of present capitalisation. G—Actual, year ended August 31. Full and the strock of the st	Exchange Buffet	1.50	1.64	nf.	19	14	19	1.5	7.9	
SHAVING MATERIALS SHAVING STOP "A"	hattuck, (F. G.) Co	4.03	4.38	5.00	101	47	90	2	2.2	• •
SHAVING MATERIALS mer. Safety Razor	Chompson (J. R.) Co	4.94	6.26	6.50	65	42	64	3.6	5.6	• •
SHAVING MATERIALS mer. Safety Razor	Valdorf System, Inc	1.90	2.00	2.15	25	19	20	1.5	7.5	••
mer. Safety Razor		S	HAVIN	G MAT	ERIALS	3				
NS.73 46 43 45 3 6.7	mer. Safety Razor	5.24	4.92	4.00	70	42	57	141/4	7.5	
SOFT DRINKS anada Dry Ginger Ale	Auto Strop "A"		• • • •	N5.73	46	43	45	3	6.7	
SOFT DRINKS anada Dry Ginger Ale 2.88 3.85 5.00 60 32 54 ¶3½ 6.0 oca Cola †7.24 †8.25 †8.75 †129 96 124 5 4.0 Thite Rock Min. Spgs 3.80 3.26 3.75 41 22 37 ¶3 8.1 n—Nine months. nf—No data. † On basis of present capitalisation. G—Actual, year ended August 31. —Actual, nine months ended September 30. EXPLANATION OF RATINGS:	illette	6.04	6.66	7.00	109	95	99	¶5	5.1	В
anada Dry Ginger Ale 2.88 3.85 5.00 60 32 54 ¶3½ 6.0 oca Cola †7.24 †8.25 †8.75 †129 96 124 5 4.0 Thite Rock Min. Spgs 3.80 3.26 3.75 41 22 37 ¶3 8.1 n—Nine months. nf—No data. † On basis of present capitalisation. G—Actual, year ended August 31. mem 30. § Plus \$3 in preferred stock. ¶ Including extras. s—Pays 10% in stock. ‡ Plus 4% in stock. EXPLANATION OF RATINGS:			SOF	T DRIN	KS					
oca Cola	anada Dry Ginger Ale	2.88	3.85	5.00	60	32	54	131/4	6.0	
n—Nine months. nf—No data. † On basis of present capitalisation. G—Actual, year ended August 31. n—Nine months. nf—No data. † On basis of present capitalisation. G—Actual, year ended August 31. part ended September 30. EXPLANATION OF RATINGS: A Stock horize good market records in r	oca Cola	†7.24	†8.25	†8.75	†129	96	124	5	4.0	
n—Nine months. nf—No data. † On basis of present capitalisation. G—Actual, year ended August 31. J—Actual, year ended no 30. § Plus \$3 in preferred stock. ¶ Including extras. s—Pays 10% in stock. ‡ Plus 4% in stock. ** Plus 3% in stock.—Actual, nine months ended September 30. EXPLANATION OF RATINGS:	White Rock Min. Spgs	3.80	3.26	3.75	41	22	37	13	8.1	••
EXPLANATION OF RATINGS:	n-Nine months. nf-No data. † On b une 30. § Plus \$3 in preferred stock. ¶ Actual, nine months ended Santember 30.	asis of pr Including	esent capit	alisation. s—Pays 10%	G-Actual, in stock.	year end ‡ Plus	led August s 4% in s	31. J—A	ctual, yea lus 8% is	r ended
A Stocks having good market prospects in near future. Bestocks having good market prospects for long putt.	A-Stocks having good market prospect	s in near	XPLANAT	ION OF R.	ATINGS:	market p	rospects for	r long pull.		

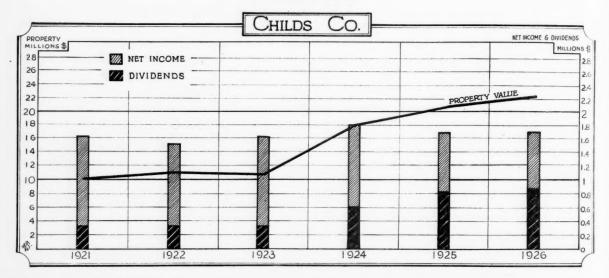
NAV ALVIOLOGICANO NICARONI DE SUCCIONI DE CALCINO DE CALCINO DE CALCINO DE SUCCIONI DE SUCCIONO DE SUCCIONA DE CALCINO DE

No.

An Expanding Business With a Sound Future

Inherent Attractiveness of Common Stock Makes It Suitable for Investment Purposes

By HORACE DOLIN



THE spectacular performances of the leading chain store systems for several years past are well known to everybody at all in touch with the financial affairs of the nation. It is a type of business having many natural advantages, principal among which are facilities for uninterrupted expansion, rapid turnover, virtual immunity from the ill effects of business depressions, and ability to conduct business upon a 100% cash basis. It small wonder that chain store stocks have held out so powerful a market appeal under the stimulus of a generally strong market, and in certain cases their action has exceeded the wildest flights of the imagination. while others less in the limelight have been relatively quiescent. The chain store is usually associated with groceries, tobacco, or general merchandise, the latter particularly in the five- and ten-cent store field, but similar possibilities exist in other lines, and the future will in all probability witness a considerable broadening in the application of this principle of merchandising.

History of Business

A notable instance of the chain store idea applied to the restaurant business is presented by Childs Company, whose common stock in its still rather brief career as a New York Stock Exchange listing, while giving a fairly good account of itself, has yet to receive the publicity and exploitation which might logically be expected in view of the success and scope of the enterprise. The business dates back to 1889 and in corporate form to 1906, although the company in its present form was organized in 1923. There is an unbroken record of preferred dividends at the full rate for more than 25 years, and on the common as well at varying rates with the exception of a single year, 1915.

Starting with one restaurant in 1889 on Cortlandt St., New York, the number of units was increased to ten a decade later, and has now expanded into a country wide chain of approximately 115, about 50% of which are located in Greater New York and some in Canada. Unlike some enterprises of very long standing, wherein a spirit of self-satisfaction prejudicial to their best interests is in evidence, the present policies of Childs Co. are more aggressive than at any time in the past.

The Childs restaurants are so familiar to everybody that no extended description is necessary. A number of innovations, however, have made their appearance in recent years, the most interesting of which perhaps is the invasion of Fifth Avenue, New York, an experiment which has been rewarded

with gratifying success. It was accompanied by a change in the exteriors and interior arrangements, involving the abandonment of white as the predominating color so long associated with these establishments, and the substitution of small individual tables for the rows of long tables formerly in use. These innovations have facilitated an appeal to an enlarged and on the average a higher type of patronage. In the meantime, the cafeteria system has been installed in some of the restaurants in accordance with the growing popularity of that type of service.

Individuality of Enterprise

The fundamentals of the business, however, have undergone no change, and it is an excellent example of the development and amplification of a sound idea rigidly adhered to over a long period of years. The foundation of the business is "standardized food" served at reasonable prices, with no attempt at luxury, but with insistence on cleanly surroundings at all times. Another feature is the dietetic aspect of the menus, in which the caloric content of each dish is set forth. Childs has always been noted for the quality of its dairy products, a considerable portion of which are supplied by farms owned and operated by the company.

Two Gifts FREE

Answering the five great problems confronting investors today.—JUST OFF THE PRESS

Five Guides To Successful Investing

A Set of Five, Compact, Pocket-size Brochures

UR experts have prepared Five Guides comprehensively answering the investment problems presented in over 150,000 inquiries received from our subscribers. These inquiries disclosed the astonishing—almost tragic-fact that these difficulties which beset so many thousands of people are neither necessary nor insuperable. We believe that these Five Guides will do more than any other one thing ever published, to help business men and investors avoid losses and substantially increase their profits and income. The following descriptions give you only an idea of the valuable rules and wealth of information contained in these Five

- 1—How to Build a Fortune With Little Risk:
 A clear exposition of the fundamental principles of saving, investing and re-investing, that if carefully followed will enable you to build up a substantial fortune. It gives you definite plans for investing and points out the type of securities best suited for safe fortune building.
- -A Simple Method of Analyzing Market Movements: To make profits you must know when and what to buy. This valuable brochure shows you how to analyze the various market movements by groups and individual securities. It explains how experts decide when a security should be bought or sold. It also gives you practical suggestions and definite plans for detecting those securities which are in a position for substantial advances. advances.
- -When Sound Securities Offer Spec-Vestment Possibilities: The greatest profits are not made in the highly speculative stocks, as most people imagine, but

in the sound securities that, for various reasons, have lagged behind the general market and have been overlooked by investors. Here we show you how to uncover sound securities which are selling at bargain prices, offering outstanding profit opportunities. This brochure alone should help add substantial profits to your income.

- 4—Special Income and Profit-Making Securities for the Salaried and Professional Man: The many the Salaried and Prolessional Man: The many special problems confronting this type of investor are analyzed and four rules given that should be applied to their every investment, as a safeguard against loss. Tested methods of investments especially suited for salaried and professional men are clearly explained. How to Avoid Loss Through Knowledge of Brokerage House Technique: This "Copide" with
- age House Technique: This "Guide" will be of tremendous help to every investor in eliminating the little details that so often cause loss, gives the proper handling of your account, and in addition shows you how to read your broker's statement.

These Five Guides are not for sale, but can be secured through our Special Free Offer.

We will also send you FREE-

The Business of Trading In Stocks

Including a New Formula for Determining Common Stock Values

A new book; 169 pages, rich, flexible binding, lettered in gold. Profusely illustrated with graphs and tables clearly explaining how to make profits and above all-how to keep them

HE Business of Trading in Stocks gives a clear, authoritative exposition of the fundamental principles, essential to successful trading, under present day market conditions — written by an expert who knows trading and knows how to explain this profitable subject so that the average business man can understand and apply the principles for his own profit.

An important feature is the author's new formula for determining common stock values. You will find this formula of great value and of particular importance to the businessman-investor, as it gives the right angle on stock market technique, that will add considerably to your investment knowledge. Every branch of trading is included, from evolving your plan to final decision as to WHAT and WHEN to BUY and SELL. Charts and graphs of well-known securities are used to illustrate and clarify the more technical Methods of

Trading.

We have selected this volume for our Special Offer at this time, because its timely practical appeal, and simple presentation, make it a book that every businessman-investor and trader will appreciate and use—especially as it contains many of the principles upon which the experts of THE MAGAZINE OF WALL STREET base their judgment in the selection of securities for our readers.

CONTENTS

Preface

- Chapter I—Fundamentals necessary in learning The Business of Security Trading.

 II—A Study of the Principles of Manipulation.
- III-Detecting Accumulation 1st Stage, 2nd Stage.
- IV-Short Selling-Its good points and its dangers.
- V-Comparing reactions, distribution and accumulation.
- VI-The Principles of Tape Reading--Supply and Demand. VII-Forecasting Price Movements and Turning Points.

- VIII—Profiting by the Law of Averages—Figure charts.
 IX—How to use Charts and Mechanical Systems.
 X—Fundamentals that affect Security Prices.
 XI—A New Formula for Determining Common Stock Values.
- XII—Profiting from Stock Dividends, Rights, Priviledges and Arbitrage.
 XIII—Important Principles for Successful Trading.
 XIV—What and When to Buy and Sell.

This book is not for sale—you can secure it only through our SPECIAL FREE OFFER.

Two Gifts FREE

Th

wh

me As

me ten the cha Re

car rea thi

gre ior hel

arc ow

ada rer

tal

tio asr ter

cid

fro

sto

tio

Ne

cat

bil

sal con an

tha seq

ope

pro pro

str

Pla

Fif Yo

Sa

for

A Christmas Gift That Brings Happiness—Success—Prosperity

For Yourself—for Father, Brother, Son, Friend or Business Associate

HERE is a gift that lasts forever. It is the key to success and happiness, and no other gift will compliment a man more than a year's subscription to The MAGAZINE OF WALL STREET. It indicates to the recipient that you have faith in his "making the grade" and 26 times a year he is reminded of your thoughtfulness. He will read it with satis-

on the pulse of the Nation's Business at all times.

done before.

Financial Independence.



A Subscriber's The Magazine of Wall Street Will Interest-Christmas Suggestion

"I have decided to give my friends the best Christmas gift possible-an annual subrepresented in possible—an annual sub-scription to your Magazine. Regardless of their financial position they will find it an instructive guide and a business essential."

R. S. G., Des Moines, Ia.

FREE

Magazine of Wall Street.

Trading in Stocks"

Successful Invest-

The price of one

Here Is the Offer Giving You Two Gifts FREE

THIS OFFER LIMITED TO 15 DAYS

Send us \$7.50 for a gift subscription to THE MAGAZINE OF WALL STREET for one year beginning either with the current number or Christmas Number, and we will not only send you a copy of our new 169-page, flexible cover book, "The Business of Trading in Stocks," but

faction; at first because he knows you expect him to. He will continue reading it because he will speedily realize that he derives more practical benefit from its pages than from any reading he has

The Business Man-because through reading Trade Tendencies, Money, Credit, and

the Business Features he will have a broader point of view and will have his finger

The Investor—because it will guide him in his investments, show him how to select safe, profitable securities, how to know the danger points and avoid losses.

Executives and Employees-because it shows them how to prepare a backlog of

executives and Employees—because it shows them how to prepare a backlog of income-producing investments. Many business concerns and banks make it a yearly custom to present their principal employees with a yearly subscription to The Magazine of Wall Street, for they know the advantage of having an employee who is striving to protect his family by proper investment of his savings.

Our BUILDING YOUR FUTURE INCOME DEPARTMENT shows you how to invest your first \$500. It solves your building and insurance problems. It is a friend indeed at all times. In fact, it is a home reading course in business and finance.

It enables you to get the most out of life as you go along and finally achieve

We Will Also Send You FREE FIVE GUIDES TO SUCCESSFUL INVESTING

Three Christmas Gifts for the Price of One

You can send the Magazine as a gift to one friend and the books as gifts to two other friends-thus saving the cost of two gifts.

MAIL THIS CHRISTMAS GIFT COUPON TODAY

THE MAGAZINE	OF	WALL	STREET,
42 Broadway,			
New York City.			•

I enclose check for \$7.50 for 1 year or \$12.50 for 2 years. Send The Magazine of Wall Street to:

Address

"The Business of Trading in Stocks," and your new "Five Guides to Successful Investing."

It is understood that I am to receive free a copy of

Remitter's Name.....

Address

NOTE: The Magazine may be sent to one address and the books to another. If the person for whom the gift subscription is sent is already a subscriber, the subscription will be extended for one year.

(Canadian Postage 50 cents extra per year; Foreign \$1.00 extra)

The Childs restaurants have never lost a certain very marked individuality which differentiates them from all other food establishments.

Real Estate Operations

The scope of the business is by no means limited to restaurant operations. As so often happens in the development of chain store enterprises, the tendency being particularly marked in the case of the two large tobacco chains, United Cigar Stores and Schulte Retail Stores, the acquisition of sites carries with it increasing activity in real estate operations to a point where this phase of the business assumes great significance. Although the majority of the restaurant locations are held on lease, the company owns around 20% of them, and in addition owns numerous parcels of real estate adapted to future requirements, the rentals providing a source of income.

Of far greater importance than rentals, however, is the general appreciation in value of such holdings, and inasmuch as there is no means of determining the precise amount, a decided element of interest is created from the point of view of the common stockholder. With so large a proportion of its real estate in the heart of New York City and strategically located, there is the ever present possibility that profits in any one year will be materially augmented through the sale of some of this property by the company. This occurred in 1924 when an amount equivalent to \$6.13 per share on the common was earned, more than \$2 a share in excess of the subsequent annual returns on restaurant operations.

A large real estate deal which may prove to be a source of additional profits is in connection with the construction of the recently opened Savoy Plaza Hotel, a semi-residential hotel at Fifth Avenue and Fifty-ninth St., New York. Large blocks of stock in the Savoy-Plaza Corporation, both preferred and common, were accepted in

payment for the sale of the real estate and leasehold, the bulk of the ownership of these securities being shared with the United States Realty & Improvement Co., which controls the Plaza Hotel directly opposite. Both hotels are operated by the same man-agement. If the enterprise proves as successful as anticipated, it will redound very much to the benefit of Childs Co., or there is the possibility that all or part of the interest will be sold on favorable terms, in which case a sizable lump sum would accrue to the company. It is much easier then to forecast minimum than maximum earnings, for income may at any time be supplemented by non-recurring profits of this character, lending an agreeable element of uncertainty to the situation.

Two recent events serve to illustrate the ability of the company in taking advantage of unusual opportunities to strengthening its position. Due to special circumstances in connection with the former ownership, Childs Co. was able to acquire the entire capital stock of the Boos Brothers Cafeteria Co., operating six restaurants in Los Angeles, at a cost of 1.4 million dollars, the purchase being financed by an issue of four-year notes. Boos Brothers has an annual gross of 4 millions and an estimated net of 10% of this amount. With an annual profit on the investment of nearly 30%, Childs should be able to defray the entire cost out of profits before the maturity of the notes in 1931, besides deriving additional income equivalent to more than \$1 per share annually on its own common stock.

The other event referred to was the deal by which the company is opening a new restaurant in the Paramount Building in Times Square, New York, supplying only the movable equipment itself, the permanent fixtures and rent being taken care of by Paramount Famous Lasky Corporation, which is to share in the profits. In this way Childs is relieved of the major part of the responsibility, and, should the project fail to fulfil expectations, could simply move its equipment to another location

with virtually no disadvantage to itself.

The return on the investment in the case of successful chain store common stocks is proverbially low, the exigencies of expansion requiring the employment of surplus funds in that manner as far as practicable. Childs common, paying \$2.40 in cash per annum, compares well with the average in this respect, but even so the cash return is less than 5% at prevailing levels for the stock, a fact which may contribute towards its lack of aggressive market action. For the past three years, the cash dividend has been supplemented by 4% annually paid in common stock, but there is no definite assurance that this will be a permanent policy. A decision on this point covering the balance of the year is usually made in January, and it should consequently be known within a short time what is in store for stockholders during 1928.

Earnings Situation

Indications point to somewhat smaller earnings than usual as a result of 1927 operations, which might have some bearing on the question of continuing the present dividend policy. The upward trend in volume of sales is being maintained; 26.3 millions was reported for the first eleven months of 1927 as against 23.6 millions for the corresponding period of the previous year, but net income has failed to keep pace with gross business, partly due to depreciation charges substantially greater than in 1926. There is no segregation made thus far of the earnings contributed by Boos Brothers Cafeteria, but if the gross of this subsidiary is up to standard, total business of the Childs Restaurants is probably running somewhat behind that of 1926.

Third quarter earnings, as far as the balance available for stockholders was concerned, were particularly out of line with normal expectancy, amounting to only 11 cents a share on the common stock after allowance for preferred dividends, bringing the aggregate for the nine months to a figure equivalent to

(Please turn to page 470)

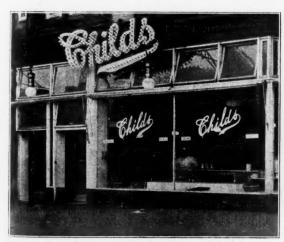
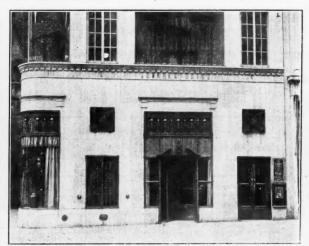


Photo by Brown Bros.





One of the New Restaurants on Fifth Avenue, New York

Outlook for Leading Sugar **Producers**

Five Leading Companies Compared— Market Position of Their Securities

By FERDINAND OTTER

N this discriminating bull market, the behavior of the sugar shares has been typical. The shares of Porto Rican producers, representing companies which have the advantage of a 1.76-cent tariff differential over Cuba, have advanced with gusto; the stock of Great Western Sugar Company, a corporation hampered by unusual refined competition but able to produce beet sugar at a low cost, have gained moderately; and the shares of Cuban producers, organizations ground down by world tariffs against them everywhere, have done practically nothing. The market has been giving an excellent analysis of the world sugar situation.

Probably never in modern times has any commodity had such an eventful history in such a short time. Shutting off the normal supply of beet sugar from Central, Eastern and Western Europe, the war resulted in an abnormal development of sugar producing capacity in the cane producing countries such as Cuba, Java and Porto Rico. At the close of the conflict, in order to make beet production again profitable in competition with cheap cane sugar, France, Germany, Czecho-Slovakia and other nations erected tariff barriers and stimulated home output. Cuba, especially, lost sources of demand as a result. The markets which she had equipped herself to supply by increasing productive capacity from under 3,000,000 tons to over 5,000,000 tons went back to beet sugar-and there was no possible way for her to help it.

Her efforts to limit output have been successful, but have not accomplished their end; for other cane producing nations have not cooperated. The net effect

of the Cuban limitation of output policy seems to have been to increase the average production cost per pound on the island and to make the world market which Cuba shares with other countries more profitable than they otherwise would have been to the other countries. While Cuba has been reducing its annual crop, Java has been sending more cane to market and the world beet production, stimulated by tariff barriers, has increased further.

By way of generalization, it seems logical to begin any discussion of sugar producing companies with a few thoughts firmly fixed: (1) With Cuba able to increase output from 500,000 to 1,000,000 tons annually on short notice, with beet sugar subsidized the world over, with crop risks widely diversified, and with a world surplus already, there is no danger of a world sugar shortage; (2) This is an era of low world sugar prices, with the prosperity of most companies dependent on a tariff; and (3) The Cuban producers, although probably able to turn out sugar at a lower cost than any competitors, are at a tremendous disadvantage under present tariff conditions.

Those interested in a more detailed analysis of the world sugar situation along the lines followed above are referred to the "Con" division of "What's Ahead in Sugar" on page 855 of the September 10th, 1927, issue of THE MAGAZINE OF WALL STREET.]

PUNTAALEGRE SUGAR CO.

WITH the thoughts about Cuban sugar producers fresh in mind, let us first consider the affairs of

Punta Alegre Sugar Company, prob-

ably one of the best situated producers on the island. This company is equipped to turn out 1,600,000 bags (325 lbs. each) of sugar annually. Last year, with the output of the island limited to 4,500,000 tons, it was allowed to produce but 1,203,945 bags; and next year, if the government reduces the maximum of the island to 4,000,000 tons, its output will be even less. In 1927 Punta produced sugar at a cost of 2.246 cents a pound compared with a cost of 1.964 cents in 1926 when production was 195,360 bags larger. In spite of the fact that a large acreage of cane, planted in better times, now is ready for harvest (sugar is a perennial plant which it takes a few years to develop) it actually is bringing to market only a little more sugar than three or four years ago-all because of the Cuban restriction. If it could operate at capacity, Punta probably could get its costs down below 1% cents a pound. As it is, costs are a full half cent higher and production is 400,000 bags annually below capacity. Punta perhaps would be better off without any restrictions at all.

But all this is academic. The restrictions exist and are almost certain to continue. Practical analysis, therefore, must be based on what the company is able to do under difficulties. Last year (the fiscal period ended September 30, 1927), selling sugar at an average price of 2.818 cents f.o.b., net earnings from producing activities after bond and other interest and all charges, were \$1,162,550, or \$3.04 a share on the 381,537 shares of capital stock of \$50 par value issued. The fact that the company charged \$850,000 to surplus to liquidate losses on a refining contract with Pennsylvania Sugar

	Five Sug	gar Stocks Co	ompared		
	Recent Price	Annual Dividend	Latest Per Share Earnings	High 1927	Range 3 Low
Cuba Cane Sugar, pfd	30	Nil	\$1.882	503/4	· 283/
Cuban American Sugar	20	\$1.00	0.394	281/2	18%
Great Western Sugar	36	2.80	1.285	44%	36
Punta Alegre Sugar	30	Nil	3.046	46 1/8	27
South Porto Rico Sugar	37	2.001	4.012	42%	33 7/8

THE MAGAZINE OF WALL STREET

renev 31st) compa this i fining vear's \$1.00 Pul izatio and e of it a pound with

Comp

hags. per sl a cen earn, to 4, after sured. cane with o For impro Cuba

uncert would flect i indust CUBA

the or

SUGACORP is not Punta seemed to be a o gove compan tically tember

of pro 2.145 Althoug from \$ an incre of the 2.964 ce est and adequat units) 1

hare f referre

ack div Finan ets at t nillion bilities, debt of its 34.5 million o

is likely early im tion It sis of th If aug onably or three

problem

have ma (F for DEC

Company (which contract will not be renewed at its expiration on December 31st) really has little bearing on the company's future earning power, so this is ignored. If the loss on the refining contract is deducted from last year's net, earnings were less than \$1.00 a share.

Punta has a most reasonable capitalization. Funded debt is 141/4 million, and each of the 381,537 shares has back of it a productive capacity of about 1,400 pounds of raw sugar. Even last year, with the crop restricted to 1,200,000 bags, output was over 1,000 pounds per share. On a profit margin of half a cent a pound, therefore, Punta can earn, even with Cuba's crop restricted to 4,500,000 tons, around \$5.00 a share. Of course, the half cent margin after interest cannot be taken as assured, but it is a possibility. Punta's cane fields are comparatively young with costs consequently low.

For all this, until there is a definite improvement in the sugar situation in Cuba dividends are not in sight and the outook for the stock is decidedly uncertain. The encouraging point is that Punta Alegra stock probably would be one of the first issues to re-fect improvement in the state of the

industry on the island.

CUBA CANE SUGAR CORPORATION

1 - nev - sonf - d

a f 0

a

t

n s. n et

al

0

CUBACANE SUGAR COR-PORATION is the largest producer on the island, but

is not such a low cost producer as Punta and is troubled with what has seemed for years (even in good times) to be a burdensome capitalization. Due to government restrictions last year, the company's crop had to be reduced practically 20% from the year ended September 30, 1926, consequently the cost of producing sugar advanced from 2.145 cents to 2.493 cents a pound. Although operating profit increased from \$2,330,071 to \$5,275,599 due to an increase in the average selling price of the commodity from 2,321 cents to 2.964 cents a pound, after bond interest and depreciation (perhaps not as adequate as in the case of some other units) there was a net of but \$1.88 a share for the 500,000 shares of 7% referred stock on which there is a ack dividend accumulation of \$47.25 a

Financial position is fair, current asets at the end of September being 25.4 nillion against 8.5 million current liabilities, but the company has a bank debt of around 6 million to supplement ts 34.5 million funded debt of which 25 million comes due January 1, 1930. The roblem of refunding the 1930 maturity is likely to be a big one unless there is erly improvement in the sugar situaen It is a matter which any analysis of the company must not ignore.

If augar prices could have been reaconably satisfactory for the past two or three years, Cuba Cane Sugar could ave made some progress in overcom-

(Please turn to page 468)

Preferred Stock Guide

These stocks are selected as offering best opportunities in their respective classes taking into consideration assets, earnings and financial condition of the companies represented.

For Income HIGH GRADE INVESTMENTS

	Dir	Rate	Div. Times Earned—	Redeem-	§ 5-Yr. P	rice Range	Recent	Yield
RAILROADS			5-Yr. Av'r'ge		High	Low	Price	%
Baltimore & Ohio	. 4	(N)	7.8	No	73	52	82	4.9
Chicago & North Western	. 7	(N)	6.2	No	126	97	149	4.7
Colorado & Southern 1st	. 4	(N)	8.9	100	66	47	75	5.3
N. Y., Chicago & St. Louis	. 6	(C)	F3.7	110	F106	F83	109	5.5
Pere Marquette Prior	. 5	(C)	10.2	100	96	63	99	5.1
PUBLIC UTILITIES								
Columbia Gas & Electric	. 6	(C)	84.6	110	X104	X92	108	5.6
Hudson & Manhattan R. R. Conv		(N)	5.9	No	80	25	87	5.8
North American	. 3	(C)	. 7.3	55	52	38	54	5.6
Philadelphia Company		(C)	6.5	No	51	41	53	5.7
Public Service New Jersey		(C)	3.0	No	124	95	134	5.9
INDUSTRIALS								
American Smelting & Ref	. 7	(C)	3.3	No	122	86	129	5.4
American Steel Foundries	. 7	(C)	7.4	110	115	97	114	6.3
Associated Dry Goods 1st	. 6	(C)	4.8	No	102	75	111	5.4
Baldwin Locomotive	. 7	(C)	3.3	125	119	104	121	5.7
Brown Shoe	. 7	(C)	4.4	120	111	85	123	5.6
Endicott Johnson		(C)	4.9	125	130	104	124	5.6
General Motors		(C)	12.0	125	122	79	125	5.6
Inland Steel Co		(C)	F8.0	115	F115	F 96	116	6.0
International Silver		(C)	2.8	No	108	90	125	5.6
Studebaker Corp	. 7	(C)	26.8	125	125	100	123	5.6

For Income and Profits

	SOUND	INVE	STMEN	TS			
RAILROADS							
Colorado & Southern 2nd	4 (N)	7.0	100	62	35	75	5.3
Kansas City Southern	4 (N)	4.8	No	68	52	72	5.6
St. Louis-San Francisco	6 (N)	12.0	100	97	34	101	5.9
St. Louis Southwestern	5 (N)	2.6	No	80	32	92	5.4
PUBLIC UTILITIES							
Brooklyn-Manhattan Transit	6 (C)	H3.3	100	H89	H48	84	7.1
Continental Gas & Elec	8 (C)	T4.0	110	T105	94	109	7.3
Electric Power & Light	7 (C)	1.7	110	99	89	108	6.5
Engineers Public Service	7 (0)	82.4	110	X99	X94	108	6.5
Federal Light & Traction	6 (C)	5.0	110	H91	H74	99	6.1
Kansas City Pr. & Lt	7 (C)	T3.1	115	F110	F91	115	6.1
West Penn Electric	7 (C)		115	X102	X95	111	6.3
Standard Gas & Elec	4 (C)	2.5	No	57	41	65	6.2
INDUSTRIALS							
American Cyanamid	6 (C)	3.6	120	96	52	98	6.1
American Metal Co., Ltd	7 (C)	8.0	110	120	103	112	6.3
American Sugar Refining	7 (C)	1.6	No	110	84	106	6.6
Associated Dry Goods 2nd	7 (C)	6.9	No	110	76	114	6.1
Bethlehem Steel Corp	7 (C)	3.1	No	105	87	117	6.0
Bush Terminal Buildings	7 (C)	1.1	120	103	87	117	6.0
Central Alloy Steel	7 (0)		110	X107	X106	107	6.5
Cuban American Sugar	7 (C)	6.9	No	106	68	102	6.9
Deere & Co	7 (C)	F1.7	No	110	61	116	6.0
Devoe & Raynolds 1st	7 (C)	T6.1	115	F100	F90	110	6.4
Genl. American Tank Car	7 (0)	3.3	110	109	86	111	6.3
Gimbel Brothers	7 (C)	4.2	115	114	93	98	7.1
Goodrich (B. F.) Co	7 (0)	3.1	125	102	67	110	6.3
Pillsbury Flour Mills			110	±106	±104	107	6.0
Reid Ice Cream	7 (C)	T6.9	110	T100	T92	110	6.3
U. S. Cast Iron Pipe	7 (N)	5.0	No	118	50	122	5.7
U. S. Industrial Alcohol	7 (0)	4.3	125	115	89	119	5.9
	SEMI	SDECII	LATIV	F			
RAILROADS	SEMI-	of ECC.	LAIIV	L			
	0 (0)	1.6	No	109	16	108	5.6
Gulf, Mobile & Northern Wabash "A"	6 (C) 5 (N)	1.6	110	78	19	93	5.4
INDUSTRIALS							
	m (m)	ma 0	998	7507	00	110	0.4

1.00 1.11 1. 2.00	99	-	37	When moone	. 103	The manne	C One	
Victor Talking Machine Prior	7	(C)	85.4	115	‡100	‡97	102	6.9
Universal Pictures 1st	8	(C)	7.6	110	T103	T90	100	8.0
U. S. Smelt., Ref. & Mng	3.5	(C)	1.2	No	50	38	51	6.8
Radio Corp. of America	3.5	(C)	F3.6	55	F54	F40	56	6.2
Orpheum Circuit Conv	8	(C)	3.0	110	107	84	104	7.7
Mid-Continent Petroleum	7	(C)	8.1	120	109	80	105	6.7
International Paper	7	(C)	1.6	115	T100	T86	109	6.4
Goodyear Tire & Rubber new	7	(C)					95	7.4
Consolidated Cigar	7	(C)	4.4	110	107	47	100	7.0
Bush Terminal Debentures	7	(C)	T1.8	115	T97	80	110	6.4
INDUSTRIALS								
Wabash "A"	ō	(N)		110	78	19	93	5.4

† Cumulative up to 5%. F.—Four years. H.—Three years. T.—T.
X.—Price range 1926. § 1922-1926. C.—Cumulative. N.—Non-cumulative.

Su



What Investments Really Earn

and sound investment by using these pages as a practical guide to financial success in their own homes and offices.



I all depends on whether you look upon your investments from a human standpoint or from a statistical standpoint, as to how much your capital will really earn. If your investments mean nothing more to you than dollars and

cents, you will get about \$55 from each \$1,000 invested in a good bond and no more. But, if you can appreciate the human side of an investment you will get \$55 plus.

The other day we received a letter from a young man in his early thirties. When he was twenty-five years old he had nothing but a good salary and the popular notion that he could enjoy himself only by spending all he earned. Then he got married and began to take life's responsibilities a bit more seriously.

Without being miserly about it, he started to save some of his income. Much to his own astonishment, and due no doubt to the encouragement of his new life partner, he discovered that he got as much of a thrill from the accumulation of savings as he had previously gotten from reckless spending. He bought life insurance to protect his wife and the inevitable babies. He opened a savings account and subscribed for savings and loan shares. He bought some investment securities.

So far his investments were little ventures; made cautiously and without much ado. His next step was a big one; its importance almost overawed him, he confessed to us. He bought a home, selling a few bonds for the down-payment and getting a small second mortgage. That was a few years ago.

By this time, he has paid off the second mortgage entirely, reduced the first mortgage and substantially increased his investment reserve. And this is what he writes about his investments:

"Some people look on their investments as something that pay 5.5 per cent. I get that, too, but I take it as a matter of course. The real return is ever so much more valuable to me than a mere 5.5 per cent. My insurance gives both myself and my family peace of mind concerning the uncertainties of the future. My cash reserve in the bank gives me assurance that I can meet any of the little unforeseen emergencies that used to worry me. My home pays 8 per cent as an investment and millions in happiness and family comforts. My investments give me much satisfaction now and a fearless outlook for the future.

"How people cheat themselves when they obtain only so much per cent cash from their investments!"

Intelligent Use of Present Income Will Assure Financial Independence.



How to Analyze Your Investment Holdings

A Series of Educational Investment Articles

United States Rubber Company First and Refunding Series "A" 5s 1947



THIS issue is one of the more "obvious" types of standard investment bond, which returns a fairly liberal rate of income on its present market level, due more to the highly competitive state of the industry in which the company operates rather than to any inherent weakness in the issue itself. Over-capacity in the rubber industry, particularly in the tire division, has resulted in very strong competition among the leading companies and various trade practices, such as perennial price cutting, reduce the current profit margins of the companies. The U. S. Rubber Company's tire business represents only about one-third of its volume of sales, however, and the dominating position of the company in the industry gives it recognized advantages which do not appear to be fully reflected in the present market position of this issue.

The bonds themselves are in every respect a well secured investment. They are secured by a direct first mortgage on the physical properties of the company as well as by the deposit of the shares of most of the important subsidiaries. In the indenture, adequate provision is made to keep the company's liquid position satisfactory by restricting dividend payments on the stock. The outstanding amount of bonds of this issue is approximately 60 million dollars, whereas the company's total assets exceed 350 million dollars on book valuations, about half of which is physical property and the balance in inventories, securities, notes payable and other current assets.

The earnings of the company have fluctuated, as might be expected from the earnings of any company engaged in a highly competitive industry, the nature of which makes it essential to carry large inventories and raw materials. Interest on the funded debt, however, is covered, even in the less profitable years, by a satisfactory margin. Only in the depression year 1921 did the company fail to earn its full funded debt charges after writing off inventory losses and the failure to show a profit in that period was due largely to adjustments on the inventory account. Over the past ten years interest on all debt was earned about 21/2 times over. This issue of first and refunding 5% bonds is the senior bond of the company, followed by about 40 millions of two issues of notes. The present market value of preferred and common stock, representing the equity after the funded debt exceeds 100 million dollars. For income purposes primarily, but not without reasonably interesting prospects of market enhancement, these bonds might well be included in one's current investment list.

INVESTMENT SUGGESTIONS BYFI'S

These investment recommendations are now a regular feature for the guidance of BYFI These investment recommendations are now a regular feature for the guidance of BIFI readers. With the original selection of each issue, safety of principal has been a foremost consideration. Each issue is watched continuously and will be replaced at any time that it may become unfit for retention. Such changes will, of course, be brought to the reader's attention, if and when they occur.

Adaptasis Yield 10 Course, New York NAMES AND ADDRESS STATES AND ADDRESS STATES AND ADDRESS STATES AND ADDRESS AND ADDR

THE FIRST \$500	Price	to Maturity
Savings banks accounts are recommended for deposits of regular savings, to yield	r	4 to 41/2 %
Shares of well managed Building & Loan Assa are recommended on the monthly payment plan	i	5 to 6%
the investor and yields a return of	. 105	3 to 3½% 5.15%

THE NEXT \$1,000

†International	Mercantile	Marine	1st	&	coll.		
6s, 1941 *Montreal Tran	nway gen. &	ref. 5s.	195	5		105 99	5.45%
++N. Y. Steam	Corp. 6s.	1947				108	5.34%
+Western Paci	ne 1st 5s,	1946				100	5.00

\$5,000 FOR INVESTMENT	mate Price	to Maturity
Cuba R. R. 1st 5s, 1952	. 98	5.12%
Shu'co Co., Inc., Guar., Ser. "B" 61/2s, 1946	. 103	6.23%
U. S. Rubber 1st 5s, 1947	. 95	5.40%
U. S. Smelting & Ref. \$3½ Pfd	. 111	6.30%
American Sugar Refining \$7 Pfd	. 52	6.70%

THE NEXT \$5,000 (a)

1	Seaboard Air Line	1st	Cons.	6s,	194	5	 	 96	6.35%
	Nassau Electric 4s.	198	51				 	 56	8.30%
	Western Maryland								5.00%
1	Brooklyn-Man. Tr.	\$6	Pfd				 	 84	7.15%
	International Paper	. 87	Pfd				 	 108	6.45%
:	American Tel. &	Tel.	commo	n	(\$9)		 	 179	5.05

^{*} Available in \$100 units. † Available in \$500 units. ‡ Recommended to hold only.

(a) This group is selected with a view toward probable enhancement in principal.

Practical Pointers for the Prospective Home Builder

A Liberal Education in Home Owning from the Financing to the Construction

By G. E. LANDT

OME owning is just an average human accomplishment. Home building is also merely average, but judging by the ratio of home builders to owners, building is an accom-plishment of a higher order, for about one out of ten home owners builds his

I am not engaging in a polemic on the relative merits of buying versus building. My wish is to develop the principles underlying the acquirement of a house, since they are identical. Thus, renters who have visions of home owning but have not essayed to venture on their project, may become acquainted with the factors involved. This article is written from the viewpoint of building a home because, while the factors involved in buying a house are identical with those in building one, their application in the latter is more complex. Furthermore it is based on personal experience which has been in building houses at various times.

Either buying or building is a venture-building has always struck me as being an adventure as well. That is why I build, for if circumstances call for the disposal of my home-I always build again. This venture requires knowledge along three lines, the economics of home owning and building,

the procedure of acquiring a home, and the principle, of its construction. Again let me reiterate, that these principles are the same in both building and buying houses.

The economics of building houses involves the ques-tions of financing the venture, and of developing a sound ncial venture. of us can afford to lose money on a home if we are required to sell it. A house should therefore be a sound financial venture. In my mind, there are just two things of

fundamental importance in making it so; the house should be constructed so that it will sell; and it should have a satisfactory location.

The automobile has revolutionized the factors which make for good location so that old precepts may be unreliable. Broadly speaking one should purchase or build in a community which is growing. Regardless of paved streets, closeness of schools, etc.; if every year adds its quota of homes to your neighborhood, values are bound to be maintained or even to increase.

There is only one certain way to judge whether or not a neighborhood will grow, and that is by its past performance in this respect. I have seen neighborhoods grow which apparently violated many precepts of real estate development. If in addition to its obvious growth, a locality is contiguous to transportation lines running to places of business; if the growth is up, not down; that is, if better homes are being built from year to year; if the location is intrinsically beautiful, and if a live real estate promoter is pushing the development of that section, then you can be sure you have a good location.

Within four years after purchasing my first building lot, four hundred thousand dollars in building were added

to the neighborhood in a radius of one city block. That property will sell today at a profit of 30% to 40% on its first cost, even though the real estate index has been declining since its construction. My present house was built on a lot purchased eighteen months ago. Since then two hundred thousand dollars' worth of real estate has been added to the immediate neighborhood. This growth spells maintenance of value in adjacent property.

The procedure in purchasing a house is very simple; you go to all real estate dealers, select or reject from their wares as you see fit.

In building a house, the first step is the purchase of a lot; then plans should be drawn and estimates and bids rendered, then the financing should be provided for. Or the second step may precede the first if you do not wish to purchase a lot until you have appraised the financial aspects of the entire situation. Two of these steps have been dealt with. We will now deal with the question of plans, contracts and other construction details.

sur

stra

wid

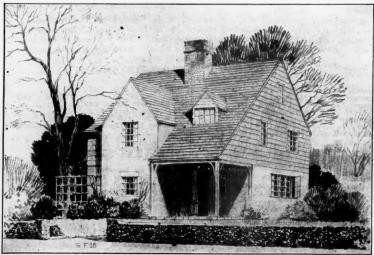
wit

ance

char

Shall you employ an architect? His plans will cost you 3% of the project. His supervision of the operation is generally 5%. I believe as a general rule that architects' houses cost more than

those where they are not used. If a house is to be simple and cast in conventional mold, particularly if the house is to cost under ten thousand dollars, I believe that the expense of the architect's service can be dispensed with safely. Plans for such houses can be obtained for a nominal sum from various architects' bureaus and home building magazines. Discretion should be used, however, because this source for plans opens an avenue to a terrible mess of cheap



Copyrighted by The Architects Small House Bureau

A beautiful low cost home especially designed for the amateur builder

one

its

ate

tilt

lol-

od.

of

eir

en-

ay

to

ed

11-

en

er

lis

pt.

ile

an

ev

If

in

al

ly

to

n

I

r-

ed

18

d

IS

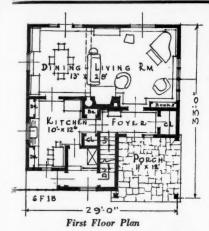
g

۵.

d,

r

le



houses, fostered by various associations for various advertising ends. Where an architect is dispensed with, recourse should also be had to someone who understands contracts or this knowledge may be developed by the prospective builder from readily availble sources.

With plans in hand these, along with complete specifications should be let out to building contractors. Select a half dozen with the best reputations in your vicinity. Make a point to include any who may operate from outlying country districts. Then don't be surprised to see a spread of 50% in the bids.

Some contractors can work more efficiently than others-just as is the case with competing manufacturers. Some have to make more money than others off of one job as they may handle two or three jobs a year against the other ten or a dozen. Then let the bid on a straight contract basis to the lowest hidder of good reputation on the basis of a written contract. I've built both straight contract price and cost plus But the latter should not be used by the average builder.

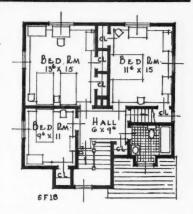
The question of financing the venture is not complex, but nevertheless somewhat terrifying when one's experience is foreign to such The methprocedures. ods of financing vary widely with the means of the individual and the characteristics of the vicinity. A first mortgage is usually readily arranged at one's bank. without costs excepting those involved in searching the title office for records, and some times supplying title insur-Certain nominal charges for drawing up a mortgage and recording it are also made. In all, these charges should

These are the floor plans of the six-room stucco and shingle home pictured on the opposite page, designed by the Architects Small House Bureau, Atlantic Division, and estimated to cost from \$7,500 to \$11,500 depending upon the section of the country in which the home will be built. Complete plans for houses of this type furnished by the Bureau-a semiphilanthropic organization-at a nominal cost.

be between 1/2 % and 11/2 % of the sum of the mortgage. Banks will usually allow 60% of the cost of the property as a first mortgage. Very few banks are interested in giving second mortgages. And when building is contemplated, property must be free of encumbrance before a mortgage will be given.

If a wider margin of financing is necessary than this, Building and Loan Associations afford a ready means of obtaining accommodations. these, the rules of business vary from locality to locality. Some will pay out money while the building is under construction; others must have a completed building before they will do this. Some will pay out money immediately on request-after necessary surveys have been made-others require several months' notice. Some give only first mortgages, others will give second mortgages. Intimate knowledge of the procedure which is current will eventually expedite operations satisfactorily.

Building and Loan Associations will generally loan up to 75% to 80% of the value of the property, and sometimes more than this if a responsible



Second Floor Plan

person will give a bond for a certain portion of the mortgage. In my opinion the best method of financing is to place a first mortgage with a bank and a second with a Building and Loan Association, splitting the money borrowed equally between the two. This permits regular payments of the mortgage without being too heavy a drain on the individual.

When a house is purchased the question of value in determining the mortgageable limit is very simple-it is taken as the cost price of the property. In building a house, the problem is quite different. In that case cost price need have and should have no direct bearing on value. I have had bids of eight thousand dollars and twelve thousand dollars on the same set of plans and specifications from equally Did it follow, reliable contractors. therefore, that a bank was entitled to give a mortgageable limit on this property of forty-eight hundred dollars or seventy-two hundred dollars? Had the higher bid been accepted, then the mortgage risk would have been greater by twenty-four hundred dollars, yet the market value was substantially the

same. In spite of this, financial institutions usually estimate the mortgageable limit from the cost of the property and sometimes also take into consideration its possible resale value.

In estimating the cost of a building operation, and presenting your proposition for mortgage consideration, add from fifteen to twenty per cent to your overall figure. Then you will be somewhere near the cost to you of the operation. The cost of a lot is quite definite. That of a house is still less definite. But a house on a lot is not

(Please turn to page 472)

THIS is the prize winning article in the BYFI Christmas Contest—Home Owning Division. It is one of the most practical discussions of the home question that has ever been published by this department and should prove to be immensely helpful to those who are anticipating the building of their own home as well as readers now in the renting class. A number of other splendid articles on home owning, received in this contest, will be published in subsequent issues.

the

the

ban

pos

pla

wit

ima

WOL

cas

Cor

Insurance-Thrift Plans Make Savings Compulsory

"Ready-Made" Plans Becoming Popular Despite Misconceptions

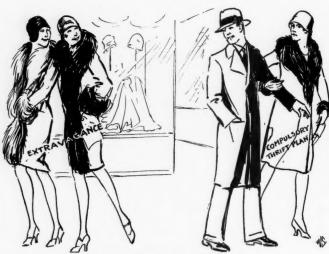
By HERMAN L. RICHTER

Have you heard about the new insurance - thrift

For some time past, a veritable army of sagacious elders and enthusiastic young salesmen have undertaken to sell the idea of "guaranteed thrift" to the American public. Armed with formidable appearing contracts and sales talk that has a suggestion of something-for-nothing about it, they are taking the inhabitants of offices, stores and homes by storm. And yet, in spite of the fact that these various plans are usually over - emphasized as to the actual benefits, the protectionplus-investment idea is

nevertheless a sound one and provides a new incentive to frugality.

These ingenious systems are known by various titles. Some are called sim-



A Sure Cure for Financial Fickleness

ply a Thrift Plan; others bear some such elegant description as The Cumulative Estate Plan; then there are others like The Assured Estate and Insured Savings Plan. These titles all stand for the same thing. In substance there is one basic idea — combining savings deposits with straight life insurance. If you have had one of these thrift plans presented by one of the energetic representatives you will recall a story which goes something like this:

"Mr. Jones, I represent the X Y Z Trust
Co. We have a remarkable plan for saving money that I'd like to explain to you. It works something like this. If you'll agree to make regular monthly deposits with us for a period of 10 years, instead of with a savings bank, we will give you

special inducements.

"Say, you decide to put away \$50 a month—that is \$600 a year. In 10 years you will have put away \$6,000.

Insurance-Thrift Plan—Age 30

(Consisting of Ordinary Life Policy, Accident and Health Policy with Savings Interest at 5%)

Annual Deposit—\$600.00†

End	1		-Withdrawal Value		Death Benefit	Accidental
of Yr.	Amount Deposited	Bank Balance	Cash Value of Policy	Total	(Bank Balance plus insurance protection)	Death Benefit*
1	\$600	\$471		\$471	\$6,471	\$17,871
2	1,200	991		991	6,991	17,791
3	1,800	1,536	\$136	1,692	7,536	17,736
4	2,400	2,110	271	2,321	8,110	17,710
5	3,000	2,714	275	2,989	8,714	17,714
6	3,600	3,350	347	3,697	9,350	17,750
7	4,200	4,016	437	4,453	10,016	17,816
8	4,800	4,718	530	5,248	10,718	17,918
9	5,400	5,457	624	6,081	11,457	18,057
0,	6,000	6,255	720	6,975	12,255	18,255

* Representing the bank balance, plus double indemnity on the Ordinary Life Policy plus the value of the annual deposits guaranteed by the accident and health policy. † Payable \$50.00 a month.

......

Well, we'll return this \$6,000 to you and interest besides.

"But that isn't all. Should you be disabled during this time for more than two weeks, we will make these deposits for you as long as you are disabled, and furthermore when you get well, you'll not have to make these deposits good.

"Again, should you die, we would pay your beneficiary, the entire amount you intended to save in addition to the balance you have in the

"On the other hand, should you die by accident, we would pay your beneficiary twice the amount you intended to save, namely, \$12,000 plus your bank balance plus the remaining deposits you would have made had you lived the balance of the 10-year period. In other words, very close to \$18,000."

"Now, isn't this really a remarkable plan?"

And should the listener answer "yes," he is asked to sign on the dotted line.

No doubt many contracts are signed with an entirely erroneous impression of what the client is buying. He imagines he is getting something for nothing and under usual circumstances would be very mistrustful. But in this case he feels that if the X Y Z Trust Company says so, then it must be true. Why should he worry? Isn't he going to get a bankbook showing credit for his full deposit?

Let us see what the real facts of the case are, aside from such trustful impressions.

First of all, under no circumstances,

THE author of this article is an insurance man who sees much good and some bad in the Insurance-Thrift plans that are becoming so popular these days. His views are both interesting and educational and the statistical proof to back his contentions are most convincing.

does the solicitor represent the bank. He represents either directly some life insurance company or a life insurance agency, which is using some innocent name such as A Mutual Thrift Organization. These solicitors get no remuneration from the bank, but from the insurance which they sell. The banks do not guarantee this whole plan. It merely acts as a depository and fiscal agent for the depositor, receiving his money, paying his insurance premiums and investing the balance. The bank guarantees nothing but the safety of the funds in its own possession.

Secondly, the buyer gets an impression that the protection provided for does not cost him anything. He gets that free of charge in addition to the interest as a sort of premium for making his deposits with that particular

That is a very erroneous impression. What actually happens is that the depositor buys a life insurance policy on the straight life plan for the face amount that he intends to save in ten

years; also in some cases an accident and health policy, which guarantees the deposits in case of disability. The bank is to pay the premiums on these two policies out of the monthly deposits that he makes. The balance is either to accumulate interest at the usual savings bank rates of 4 or 41/2 % in case of savings banks or is invested in bonds (usually 51/2 % first mortgage certificates) in case of trust companies. Usually a charge of 1/2% is made by the bank for its services in

this matter.

If the insured desires to withdraw from the plan at any time or at the end of the ten-year period, he gets what is left in the bank and also the cash value of the policy. In case of disability or death, the protection that the policy affords comes into play.

This plan, even when shorn of its sales-trimmings, is a very worthy one and it is unfortunate that some salesmen choose to present the plan in a manner which is very misleading. The advantages of this plan are two-fold. First of all the insured is afforded a definite, apparently compulsory form of regular and systematic saving. Secondly, the insured is relieved of the care of paying premiums.

It may seem that these advantages are not very outstanding. Yet, the results of this plan with its nearest counterpart, namely, endowment insurance, is compared in the accompanying table. Notice the difference in actual results. Both these methods are alike in two respects. Both of

(Please turn to page 474)

Ten-Year Endowment At Age 30

(Including Disability and Double Indemnity)

Annual Premium—\$635.04

End	1	Withdrawal Value		1	1
of Amou Yr. Deposi		Accumulated Dividend*	Total	Death Benefit	†Accidental Death
1 \$638	5.04	*****	*****	\$6,000.00	\$12,000.00
2 1,270	0.08 \$906	\$79.74	\$985.74	6,079.74	12,079.74
3 1,908	5.12 1,476	171.85	1,647.85	6,171.85	12,171.85
4 2,540	0.16 2,052	277.09	2,329.09	6,277.09	12,277.09
5 3,178	5.20 2,652	477.27	3,129.27	6,477.27	12,477.27
6 3,810	0.24 3,258	614.96	3,872.96	6,614.96	12,614.96
7 4,448	5.28 3,906	768.55	4,674.55	6,768.55	12,768.55
8 5,080	0.32 4,578	939.03	5,517.03	6,939.07	12,939.07
9 5,718	5.36 5,274	1,127.69	6,401.69	7,127.69	13,127.69
0 6,350	0.40 6,000	1,336.63	7,336.63	7,336.63	13,336.63

^{* 1927} basis. † Double indemnity.





Prospects Favorable For New Year

Optimistic Note Apparent in Most Basic Lines— Buying Grows More Liberal—Prices Generally Firm

STEEL

Prospects Improve

URTHER evidence that the steel industry is about to experience considerable expansion in activity is noted in the stiffening of prices and the rising tendency of production. The attitude of consumers is generally more liberal, and many buyers are covering requirements well into the first quarter on the belief that the advent of the new year will see a marked improvement in trade conditions. Recent holidays are responsible for some restraint in early increase in operations but it is not feasible, with heavier business in sight, that producers will find any justification in keeping schedules at their present low level. It is of interest that production during the past six months has been subject to only slight variations. While present output represents a severe decline from the March rate, which established a record, the stability and uniformity of production during a period of lower prices augur well for (Please turn to page 471)

COMMODITIES*

(See footnote for Grades and Unit of Measure)

		1927	
	High	Low	*Last
Steel (1)	\$35.00	\$33.00	\$33.00
Pig Iron (2)	19.00	17.00	17.00
Copper (3)	0.141/4	0.121/2	0.14
Petroleum (4) .	. 1.90	1.03	1.28
Coal (5)			1.75
Cotton (6)	0.24%	0.121/2	
Wheat (7)	1.581/2	1.37%	1.511/
	1.21%		
Hogs (9)	0.121/4	0.081/4	0.081/4
Steers (10)	17.00	10.50	16.00
Coffee (11)	0.161/4	0.131/8	0.14
Rubber (12)	0.423/4	0.30	0.40
Wool (13)	0.47	0.421/2	0.46
Tobacco (14)	0.12	0.12	0.12
Sugar (15)	0.051/8	0.041/2	0.04%
Sugar (16)	0.061/2	0.05%	0.05%
Paper (17)	0.031/4	0.031/4	0.031/4
Lumber (18)	23.15	19.15	19.98

"Dec. 17.

(1) Open hearth billets, \$ per ton; (2) Basic Valley, \$ per ton; (3) Electrolytic, c. per pound; (4) Mid-Continent, 36°, \$ per bbl; (5) Pittsburgh, mine run, \$ per ton; (6) Spot, New York, c. per pound; (7) No. 2 red, New York, \$ per bushel; (8) No. 2 Yellow, New York, \$ per bushel; (8) Light, Chicago, c. per pound; (10) Top, Heavies, Chicago, c. per lb.; (11) Rio, No. 7, Spot, c. per lb.; (12) First Latex crepe, c. per lb.; (13) Ohio, Delaine, unwashed, c. per lb.; (14) Medium, Burleigh, Kentucky, c. per lb.; (15) Raw Cubas, 96° Full Duty, c. per lb.; (16) Ramed, c. per lb.; (17) Mewsprint per carload roll, c. per lb.; (18) Yellow pine boards, f. o. b. \$ per M.

TREND IN MAJOR INDUSTRIES

STEEL—Confidence marks steel buying as industry strengthens under stimulus of heavy railroad commitments and sustained structural buying. Automotive industries are beginning to meet 1928 requirements. Improvement in pig iron sales continues at firm prices.

METALS—Outlook for non-ferrous metals is generally promising despite the fact that copper stocks increased nearly 7,000 tons during November. Lead shows a salutary reduction in available supplies. The price trend of the principal metals is slowly upward.

PETROLEUM—Present outlook holds little encouragement for nearby improvement in view of continued large stocks of crude and a seasonally high rate of production. Stocks of gasoline may also be expected to increase from now on in anticipation of record demand in the spring and summer of 1928.

RAILROADS—For the first ten months Class I roads show a decrease of 2.6% in net as compared with the same period in 1926. The net return on property investment averages approximately 0.6% lower than a year ago. As usual traffic in closing weeks of 1927 has been at low ebb.

TEXTILES—Whereas some New England cotton mills have been obliged to reduce wages, Southern mills continue high activity with orders well ahead. Cotton goods markets are recovering and if the raw staple maintains fair price stability the industry may be expected to continue its improvement during the coming year.

RETAIL TRADE—It is generally estimated that the Christmas turnover in most centers has been larger this year than in 1926. A great diversity of merchandise lines has benefited by this business. The year has been a record for chain store sales.

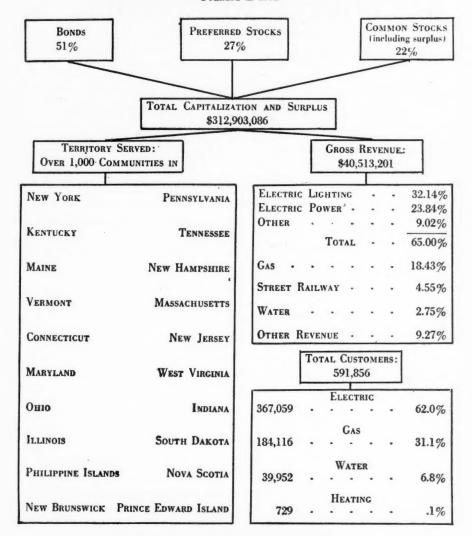
AUTOMOBILES—Tremendous enthusiasm greeting the new Ford foreshadows extreme competitive conditions throughout the low-priced field and many new models are expected to appear. At present production is at the year's low, but plans are under way for an extensive sales campaign in early spring. As a whole prospects are considered favorable to automobile and allied industries.

BUILDING—November's total of contracts let fell 17% below the preceding month but were only 4% below November, 1926. 46% of contracts was for residential construction. Engineering construction and public works is running far ahead of 1926.

SUMMARY—While early 1928 will doubtless be marked by keen competition there are indications that business in the first quarter will be of gratifying proportions. An encouraging, even though gradual, up trend in commodity prices suggests possibility of slightly more liberal profit margins.

Associated System

Founded in 1852



Diversity Within Diversity

Over 2,700,000 population served; many medium sized communities—9 with 25,000 population and over; 16 with 10,000 to 25,000 population; 975 with less than 10,000 population each.

Service to 1,800 business enterprises employing 25 or more persons; 65% employing 25 to 100 persons; 33% employing 100 to 1,000 persons and only 2% employing over 1,000 persons each.

A large proportion of residential customers. All types of industries served—farming, manufacturing and mining. No one industry or business predominates.

Associated Gas and Electric Company

Incorporated in 1906

Write for our Annual Report "O"



61 Broadway

New York



₩

ANSWERS TO INQUIRIES

SUBSCRIBERS—ATTENTION

The Inquiry Department enables you to adapt THE MAGAZINE OF WALL STREET to your personal problems. If you are a yearly subscriber, you are entitled to receive FREE OF CHARGE a reasonable number of PERSONAL REPLIES BY MAIL OR WIRE on any security in which you may be interested. Inquiries cannot be received or answered by telephone nor can personal interviews be granted by this

department. The inquiries presented in each issue are only a few of the thousands currently received and replied to. The use of this personal inquiry service in conjunction with your subscription to the Magezine should help you to get hundreds or thousands of dollars of value from your \$7.50 subscription. Inquiries from nonsubscribers of course cannot be answered.

ELECTRIC STORAGE BATTERY

Almost three years ago I bought 10 shares of Electric Storage Battery at 77, and recently averaged down my holdings by purchasing 10 more at 66 Do you think that I did the right thing? The fact that the stock advanced rapidly after I had made my second burchase is very satisfactory to me, but the issue has had several run-ubs, of this sort in recent years, and I am wondering whether this one also will flatten out.

—T. V. C., Philadelphia, Pa.

Operating in a highly competitive field, Electric Storage Battery, by virtue of its strongly entrenched position, both financially and tradewise, demonstrated very satisfactory earning power under normal conditions. It is one of the largest manufacturers of storage batteries in the world, products consisting of complete lines of automobile, radio and other units. Earnings in 1926 were equal to \$7.31 a share of common. While results in the current year to date are not available, profits in the full 1927 year are practically certain to be somewhat lower than last year, reflecting a general slowing down in the automotive industry and the wider use of radio receiving sets without batteries. However, the company is marketing new batteryless radio units, and has not been idle in extending its field of battery sales in other directions. It recently completed, in conjunction with General Electric Co., the world's largest electric storage battery locomotive. Barring the most drastic falling off in earning power, dividends at the current annual rate of \$5 a share could be continued indefinitely and the comparatively liberal current yield compensates for the absence of nearby possibilities of substantial price appreciation. The long range outlook seems favorable, however, and we counsel holding.

FOUNDATION COMPANY

I am very much worried about my holdings in Foundation Combany stock. I am a stock holder in the combany, having bought my stock at 57. I am carrying it on a margin, but can

Are You Sure of Your Broker?

We invite correspondence from readers desirous of ascertaining the status of brokers with whom they intend to do business. We make no charge for this service, as we recognize the importance of having our readers deal through reliable firms.

Subscribers wishing to avail themselves of the privilege of the Inquiry Department should be guided by the following:

- 1 Be brief.
- 2 Confine requests for an opinion to three securities.
- 3 Write name and address plainly.

afford to take it up and hold it if there is a good prospect of eventually having a profit on the commitment. You have advised me so well on several other stocks in the past that I am troubling you again.—A. H. C., Detroit, Michigan,

Foundation Co. is the largest enterprise of its kind, having a virtual monopoly of skyscraper work in New York City and other large centers, in addition to handling a large volume of industrial, power project, bridge and terminal construction throughout the world. Earnings were highly satisfactory in the four years ended with 1926, but operations have undergone considerable contraction this year, so that a deficit was reported in the first quarter, \$1.03 a share in the first half year, and \$3.90 a share in the nine months ended September 30th. The comparatively favorable showing in the third quarter seems to reflect income from old contracts, inasmuch as unfinished business reported early in November amounted to only 10 millions compared with between 35 and 40 millions earlier in the year. Financial condition is sound, but in order to conserve liquid assets in the face of an uncertain outlook, directors have elected to discontinue dividends. The future of the company depends on its ability to expand profitable operations abroad to offset indications of some further contraction at home. Resumption of dividends seems to lie some distance ahead, and sufficient uncertainty prevails in the situation to preclude possibilities of material price appreciation over a reasonable period of time. In the circumstances the shares cannot be held with entire confidence.

McCRORY STORES

I am a stockholder in McCrory Stores Corporation. I paid 61 for the stock. What has caused the sharp rise in the company's stock since early this year. Is there a possibility of the dividend being increased or a stock dividend being declared! Do you think the stock is going much higher?—V. R. L., Rochester, N. Y.

McCrory Stores Corporation, while not comparable in size with several of the more prominent organizations engaged in the retailing of five-and tencent merchandise, has, however, shown the same impressive expansion in its chain of operating units and earning power, which has been characteristic of this type of enterprise in recent years. The company operates a system of about two hundred stores located throughout Eastern and Southern Over a period covering apstates. proximately fifteen years, sales and profits have registered a gain of nearly (Please turn to page 464)

DE

When Quick Service Is Required Send Us a Prepaid Telegram and Instruct Us to Reply Collect

Philadelphia Company

5% Secured Gold Bonds

Dated December 1, 1927

Due December 1, 1967

Interest payable June I and December I at the offices of H. M. Byllesby and Company in New York and Chicago and of Ladenburg, Thalmann & Co., in New York. Principal payable in New York. Coupon bonds in denominations of \$1,000 and \$500, registerable as to principal. Fully registered bonds in denominations of \$1,000, \$5,000 and \$10,000. Redeemable as a whole or in part at any time on 60 days' notice; until and including December I, 1947 at 105% and accrued interest, the premium thereafter decreasing ¼% for each year or fraction thereof there after elasped to and including December I, 1966, the bonds being redeemable thereafter at 100% and accrued interest. Interest payable without deduction for the normal Federal income tax not exceeding 2%. The Company agrees to refund the Massachusetts income tax not exceeding 6% per annum and the Connecticut 4 mills tax upon application made as prescribed in the Indenture.

These Bonds are free from present Pennsylvania 4 mills tax. THE FIRST NATIONAL BANK OF THE CITY OF NEW YORK, TRUSTEE

The Company agrees to make application to list these Bonds on the New York Stock Exchange
A. W. Robertson, Esq., President of Philadelphia Company summarizes his letter dated December 14, 1927, as follows:

Company
Philadelphia Company was organized in 1884 under the laws of Pennsylvania. It controls, through entire common stock ownership, Duquesne Light Company which does all the electric light and power business in the City of Pittsburgh and which supplies substantially all the electric light and power service in the surrounding boroughs and in the greater parts of Allegheny and Beaver Counties, Pennsylvania, having a population of over 1,360,000. It owns or controls through subsidiaries a gas distributing system in Pittsburgh and an extensive natural gas producing, transporting and distributing system in southwestern Pennsylvania and northern West Virginia, and will acquire an interest in the Kentucky West Virginia Gas Company system, which systems will supply the greater part of the gas consumed in Pittsburgh. The Company also owns securities of Pittsburgh Railways Company, representing the control (partly through long-term leases) of the electric railway system in Pittsburgh and vicinity, and of The Beaver Valley Traction Company, and all the stock of subsidiaries engaged in supplemental operations.

of subsidiaries engaged in supplemental operations.

The Duqueane Light Company properties include two steam power plants with an aggregate generating capacity of 336,500 k.w. not including one generating unit of 40,000 k.w. practically completed, 221 sub-stations and 5,983 circuit miles of transmission and distribution lines. It serves 274,144 customers, and for the year ended October 31, 1927 had gross operating revenues amounting to \$25,536,449. The gas properties include leases on 356,978 acres of lands, 1,774 producing wells, 3,974 miles of field and distribution lines and a manufactured gas plant of 30,000,000 cubic feet daily capacity. The properties serve 172,684 customers and for the year ended October 31, 1927 had gross operating revenues of \$13,721,482. The electric street railway system for the year ended October 31, 1927 had gross operating revenues of \$22,720,691. It operates 627 miles of track and has in service 1,509 cars and 60 motor coaches; and the annual net earnings are substantially in excess of the annual fixed charges on the securities of the system outstanding in the hands of the public.

For the year ended October 31, 1927, Consolidated Gross Operating Earnings after eliminating inter-company transactions were \$61,712,404 and Consolidated Gross Income before depreciation and depletion was \$27,839,432.

Earnings

Consolidated Earnings of Philadelphia Company and its subsidiary companies for the year ended Company and of Duquesne Light Company after Interest Charges, Rentals, Contract Payments, Amortizations, Preferred Dividends, Depreciation and Depletion of subsidiaries but before deducting interest charges of Philadelphia Company, show a balance of \$12,582,334 or over 4.19 times the \$3,000,000 annual interest requirement on the \$60,000,000 Bonds. This balance of \$12,582,334 includes \$7,848,676 earned by Duquesne Light Company before deduction of dividends on the stock to be pledged under the Indenture securing the Bonds, which is over 2.61 times such annual interest requirement.

Security These Bonds will be the direct obligation of Philadelphia Company specifically secured by the Company, except its first preferred stocks of Duquesne Light Company, except its first preferred stock, which pledged stocks

on completion of corporate proceedings will constitute the entire outstanding common stock of Duquesne Light Company. All additional common stock issued by Duquesne Light Company will be acquired by the Company and pledged under the Indenture securing the Bonds; additional Bonds may be issued for 75% of the cost of such stock, or to refund, par for par, Bonds theretofore outstanding, in either case subject to the earnings restrictions of the Indenture; all as defined in the Indenture. The Company may not sell the common stock of Duquesne Light Company without retiring these Bonds and the proceeds from any sale of its other present systems, up to their valuation as defined in the Indenture, shall remain capital of the Company.

Capitalization Giving effect to present financing, outstanding capitalization of Philadelphia follows:

Cash for the payment at maturity of \$1,151,000 non-callable bonds will be deposited with trustees of Indentures under which they are issued, which Indentures will be cancelled. The Company has guaranteed dividends on preferred stock of a subsidiary amounting to \$71,676 annually and is contingently liable for rentals and securities of other controlled properties, said rentals and interest on such securities being now earned by the properties concerned and involving no present charge on the earnings of the Company. There are unliquidated claims, liability for which has not been determined, estimated at from \$5,000,000 to \$4,000,000 against a subsidiary for damages from a recent accident to gas tank operated by it.

Equity The Company values its assets, giving effect to present financing, substantially in excess of 2½ times the face amount of these Bonds. These Bonds will be followed by 28,849 shares 5% Preferred Stock, 491,140 shares 6% Preferred Stock and 951,926 shares Common Stock, all 550 par, having a value, as indicated by recent average quotations on the New York Stock Exchange, in excess of \$140,000,000. The Company has paid dividends on its common stock in each year since 1885 (with the single exception of the year 1897) at rates averaging over 6% per annum. The annual rate since July 1923 has been 8% cash in addition common stock dividends aggregating 1/40 of a share for each share of common stock were declared in 1927.

Purpose of Issue ceeds of these Bonds to the retirement of all its present outstanding mortgage indebtedness, the purchase of additional Duquesne Light Company stock, the acquisition of an interest in Kentucky West Virginia Gas. Company and to other corporate purposes. As part of the present financing Duquesne Light Company will reduce its outstanding \$30,000,000 7% First Preferred Stock to \$20,000,000 5% First Preferred Stock and Philadelphia Company is calling its Convertible Debentures for redemption, and their conversion into its 6% Preferred Stock has been underwritten.

We offer these Bonds for delivery when, as and if issued and received by us, subject to the approval of our Counsel

Price 98 and Accrued Interest to Yield 5.11%

H. M. Byllesby and Company

First National Bank Lee, Higginson & Co.

The Union Trust Company of Pittsburgh

Ladenburg, Thalmann & Co.

Chase Securities Corporation

Harris, Forbes & Co.

Hayden, Stone & Co.

The above information has been obtained from reliable sources and, while not guaranteed, is believed to be accurate.

in

a-



Income Tax Department

Conducted by M. L. SEIDMAN



The Income Tax Department will appear regularly until the first March issue. Inquiries will not be answered except in these columns. The department is conducted by Mr. M. L. Seidman, C. P. A., a well-known tax expert and a close student of its various phases. Mr. Seidman, a member of the firm of Seidman & Seidman, is on the tax committee of the New York Board of Trade and Transportation and recently was appointed a State Representative to the National Tax Association Convention.

In the preceding article we discussed the question of returns and who must file them. We pointed out that every individual who has a gross income of \$5,000 or more is required to send in a report. We also mentioned that a return is due if the net income is over \$1,500 or \$3,500, depending upon whether the person is single or married. We concluded, however, that just because a return is filed did not mean that a tax must be paid, because the exemptions allowed may offset the net income. The question of exemptions was reserved for this article.

Every individual is allowed an exemption, and the amount of it depends upon whether he is single or married or is the head of a family.

Single Person's Exemption

In the case of a single person, the exemption is \$1,500. That is how the \$1,500 figure is arrived at in the requirement that every single person having a net income of \$1,500 or more must file a return.

There has been some discussion in Coursess about increasing the single man's exemption. Nothing definite has been done along those lines yet, and in any event, it looks as if any change would not affect 1927 returns.

Head of the Family

However, it is possible even under the present law, for a single man to have a larger exemption through the allowance made to the head of a family. If a person is the head of a family, he or she is entitled to an exemption of \$3,500. To be the head of a family, two things must be present. In the first place, it is necessary to be the chief support of a dependent, and secondly, the dependent person must live in the same household with the one claiming the exemption. For example, a son who supports his parents who live abroad would not be the head of a family. However, if he lived with his

parents, he would be allowed the \$3,500 exemption.

Married Persons

Married persons are likewise allowed an exemption of \$3,500, and just as the single man's exemption explained the rule for filing return, so we find that the exemption allowed the married man explains why the law says that every married person with a net income of \$3,500 or over must file a return.

The peculiarity that we noted about the returns of a married couple and the fact that husband and wife are regarded as one for that purpose, also applies in the case of exemptions. That is to say, the \$3,500 exemption is allowed to the husband and wife as a unit. If a joint return is filed by them, the exemption shown will be \$3,500. If they file separate returns, they can divide the \$3,500 between them, as they see fit. The husband can take it all in his return, or the wife can take it all, or they can each take a part. Often the manner in which they divide their exemption may increase or decrease the tax they would otherwise have to pay. That will be explained more fully in a later article.

In outlining the exemptions thus far, it has been assumed that the person has been single or married or the head of the family throughout the entire year. However, if a change in that respect takes place during the year, then the exemption is computed on a pro-rata basis. For instance, suppose a person is married on July 1. He will have been single for one half the year and married the other half. His exemption for the entire year, therefore, would be one-half the single man's exemption, which would come to \$750, and one-half the married man's exemption, which would be \$1,750, and make his total exemption for the year \$2,500.

Or let us suppose that a single person becomes the head of a family on October 1. That would mean that he was single nine months and the head of a family three months. For the period that he was single, the exemption would be nine-twelfths of \$1,500 or \$1,125, and for the period that he was the head of a family it would be three-twelfths of \$3,500 or \$875, making the total exemption for the year \$2,000.

Exemption of Corporations and Others

As for corporations, an exemption of \$2,000 is allowed if the net income is less than \$25,000, and no exemption is allowed if the income is more than that amount. We have not the correlation here between the exemption allowed and the requirement for filing a re-

turn, as found in the case of individuals, since every corporation must file a return, irrespective of its income.

Estates and trusts being regarded like single persons, are allowed the single person's exemption of \$1,500.

Partnerships not being taxable as such, have no exemptions, although every partnership must file a return.

The exemptions that have been just outlined for individuals are those that every individual is entitled to, irrespective of the minimum exemptions that every individual is entitled to, However, they are not by any means the maximum. Individuals are entitled to exemptions for support of dependents.

Who Is a Dependent?

The rules governing exemptions for dependents are fairly simple. A person is allowed \$400 for each dependent. The first inquiry that naturally arises is to find out what is meant by the word dependent. The definition is given by the law, and under it two requirements are laid down: First, that the dependent be either under the age of eighteen or else incapable of self-support; and second, that the one claiming the exemption must be the chief contributor towards the support of the dependent. It may be well to go into these requirements a little further.

Take the first one about the age of the dependent or the incapacity for self-support, a parent supporting a nineteen-year-old son through college could not, under the rule, claim the exemption for support of the son because of the limitation that the dependent cannot be over eighteen, unless there is incapacity of self-support. Taking the converse, a son would not be able to claim exemption for the support of his father if his father was able to earn his own living, even though he was not in fact doing so.

As regards the question of being the chief support, that arises where more than one person is a contributor. It is not uncommon, for instance, for several of the children of a family to contribute to the support of a parent. Where that is the case, only the one who is the chief contributor is entitled to claim exemption. If they all contribute equally, none of them can avail themselves of the credit.

Another point might be noted about the dependent, and that is that it is not necessary for the dependent in any way to be legally related to the person who claims the exemption. Thus, an individual may support his friend and become entitled to the \$400 exemption.

And, finally, a point to keep in mind is that the \$400 applies for each dependent. If a son supports a dependent mother and father, he is entitled to \$800. If there are five dependents, he is entitled to \$2,000, and so on.

Husband and Wife

The way the exemption for dependents works out in the case of the returns of (Please turn to page 461)

Invest In B. & L. Guarantee Capital Stock!

14% Dividend Paid on Guarantee Capital Stock of Bay Cities Guaranty Building Loan Association

Now Offered to Yield 8% with Safety

Guarantee Capital Stock of California Building Loan Associations is not, as a rule, subject to general public distribution. The reason is obvious. However, it has always been the policy of the Bay Cities Guaranty to distribute its Guarantee Stock holdings as widely as possible for the purpose of creating a greater number of investors in Prudence Certificates.

Present holdings of both classes are held locally. The loan demand is now and always has been in excess of our supply of funds. We have approximately 2 million dollars of local money. Our growth is substantial. Our community growth is still in its infancy. Santa Monica foothills are fast becoming the Riviera of America.

STATEMENT Nov. 30.	GUARANTEE Capital	SURPLUS Undiv. Profits	GUARANTEE STOCK Dividend	PRUDENCE CERT. Accounts	ASSETS
1922	\$35,200.00	\$3,249.70	2 per cent	\$22,300.00	\$94,633.27
1923	. \$47,900,00	\$6,096.12	3 per cent	\$90,300.00	\$223,094.21
1924	. \$56,300.00	\$9,663.67	7 per cent	\$300,000.00	\$467,442.71
1925	\$57,500.00	\$14,987.52	8 per cent	\$568,400.00	\$744,404.82
1926	\$79,200.00	\$26,948.37	10 per cent	\$1,038,100.00	\$1,314,110.60
1927	\$142,700.00	\$53,450.20	12 per cent	\$1,642,000.00	\$2,218,390.08

Fiscal year ends June 30—Dividends paid January 1, and July 1, in years indicated in table. Semi-annual Dividend for year ending June 30, 1928, is at rate of 14% payable January 1, 1928.

If the present demand for loans to build, buy, improve, refinance homes on the amortization loan plan continues for the next 5 years . . . and reasonably fair to expect the demand to be greatly augmented from year to year . . . the Guarantee Stock dividend may be compared with the past regular yearly increase of 2% . . . the annual rate in 5 years will be 24%. The dividend rate regulates the value of the stock. A 24% dividend will enhance its price to \$300.00 per share . . . to yield 8 per cent. . . . an increased valuation of \$30.00 per share annually. . . This estimate is modest in comparison to the growth of some of the older Guaranty Stock Capital Building Loan Associations of California have experienced.

GUARANTEE STOCK—is a fixed, permanent and guarantee capital, and is subjected to all the conditions and liabilities attaching to the paid-in capital stock of other classes of corporations.

Prudence Certificates are secured by First Lien Deeds of Trust, or First Mortgages on improved real estate, and the Guarantee Capital Stock and its Surplus Reserve of the Association as provided in Title XVI, Section 634 (f) of the Civil Code. Withdrawable at any time after one year plus 6% accrued interest upon 30 days written notice.

INSURANCE COMPANIES . . . TITLE and TRUST COMPANIES . . . BANKS and ESTATES . . . CORPORATIONS and INDIVIDUALS . . . CLUBS, LODGES, SOCIETIES and other BUILDING LOAN ASSOCIATIONS have over \$1,700,000 INVESTED in PRUDENCE CERTIFICATES . . . ALL PEOPLE of good MORAL and FINANCIAL standing are ELIGIBLE.

How to Acquire Guarantee Capital Stock

MINIMUM INVESTMENT	2 Shares Guarantee Capital Stock (Par \$100) (Price \$150). 2 Units 6 per cent. Prudence Certificates (\$100 each)	\$300.00 200.00	Div. \$28.00 Int. 12.00
(Sold to Y	field 8% for fiscal year ending June 30, 1928.)	\$500.00	Income-\$40.00
MAXIMUM INVESTMENT	60 Shares, Guarantee Capital Stock (Price \$150) 60 Units, 6% Prudence Certificates	\$ 9,000.00 6,000.00	Div. \$840.00 Int. 360.00
Tax Exempt, N	et Yield 8% on investment to June 30, 1928	\$15,000.00	Income-\$1,200.00

Additional investment in 6% Prudence Certificates may accompany subscription, or made exclusive of Guarantee Stock investment. Prudence Certificates are exempt from State, County, Municipal taxes. Prudence Certificates are exempt from income tax up to \$300.00 interest earnings.

Remittances received not later than January 10 will bear Interest-Dividends from JANUARY ONE. NOT MORE THAN 1,000 SHARES GUARANTEE STOCK WILL BE ISSUED AT THIS TIME. NOT MORE THAN 60 SHARES GUARANTEE STOCK ISSUED TO ONE PERSON. ALL SUBSCRIPTIONS SUBJECT TO APPROVAL OF ASSOCIATION'S BOARD OF DIRECTORS.

Bay Cities. Guaranty uilding Joan Association

Under State Supervision and Under State Laws Governing Building and Loan Associations.

221 Santa Monica Boulevard, Santa Monica, California

OFFICERS AND DIRECTORS

President, W. F. Barnum Vice Pres., Dr. Oscar Anderson Vice Pres., George R. Crane Gen. Coun., Glen Behymer. Director, R. H. Cotton Teller, H. M. Combine Escrow Officer, J. E. Perry Ass't. Sec., M. L. Rishell

J. D. RISHELL, Secretary Manager

ust ne.

led he

as

at

ns

d

1-



→ always in touch with the National City ←

"LAST winter while spending a month on the Pacific Coast," says one of our investors who lives in Chicago, "I often called at your offices in San Francsico and Los Angeles. Later in Miami I was in touch with a National City office again. A few years ago while in Switzerland your men at Geneva kept me well posted on bond markets at home. I have traveled much both here and abroad, but wherever I have been the service of the National City organization has always been near."

Investors who travel profit from having a National City office usually within easy reach. Those who do not, benefit quite as directly from the world-wide investment contacts and knowledge of bonds and bond markets which this extensive system of offices helps to give.

Bond men at any National City office will be glad to discuss investments with you whether or not you have been dealing directly with that office.

Ask for current list of recommended issues.

The National City Company

Head Office: 55 Wall Street, New York
Uptown Office: 42nd Street at Madison Avenue
Brooklyn Office: 181 Montague Street

Offices in more than 50 Cities in the United States and Canada, 11,000 miles of private wires to serve you quickly and effective y.

WE extend the facilities of our organization to those desiring information or reports on companies with which we are identified.

Electric Bond and Share Company

(Incorporated in 1905)

Paid-up Capital and Surplus, \$115,000,000

Two Rector Street, New York

HOW GREAT FOUNDATIONS HANDLE THEIR INVESTMENT FUNDS

(Continued from page 417)

In a recent statement dealing with investment policies Frederick P. Keppel, president of the Carnegie Corporation, pointed out that this fact was one of the problems peculiar to that institution. The trustees of other foundations do not have to consider the principal as a fund to be held in perpetuity. Established for specific contemporary purposes, the other foundations can deal with them as they arise from year to year and are under no obligations to keep alive a fund after the objects for which the foundations were designed may have become unnecessary or faced by greatly altered conditions.

Numerous instances exist of the gradual obsolescence of trust funds bequeathed for definite purposes. In the sixteenth century a rich Yorkshireman in England provided in his will a grammar school fund. The courses were to include Latin and Greek. Two and a half centuries later Leeds had become a great commercial center dealing with the merchants of all Europe. To make the school adaptable to modern needs, the trustees tried to introduce French and German courses. But the courts declared that, as the will had made provision for Greek and Latin only, they had no authority to change the procedure.

The Peabody Educational Fund in America is another case in point. This fund of \$3,000,000—then considered an impressive sum-was created in 1867 by George Peabody to establish city and state schools and training schools for teachers in the poorer sections of the South. At that period, when the South was impoverished after the Civil War and when many of its sec-tions held backward views regarding education, this was a timely and worthy project. As the South reworthy project. As the South re-covered and developed, however, it founded and supported its own public educational institutions. The activities of the Peabody Educational Fund, held by the terms of the donation to one specific object, became out of date and superfluous. Accordingly, in 1914, the trustees dissolved the fund.

Change of Policy

Vicissitudes of time may similarly affect many or all of the functions now performed by some of the foundations. Their self-appointed mission may become a publicly administered duty or it may be rendered altogether needless by future social changes. Either in immediate anticipation of this contingency or confronted with it, most of the foundations can disburse principal and discontinue operations.

New York is one of the states affording a way of obtaining court sanc-



WHICH STOCKS SHOULD NOW BE BOUGHT

-and which avoided?

Our current Stock Market Bulletins discuss the profit possibilities in several different securities, many of which you may be about to purchase or may now be holding. Some of these stocks:

- 1. Are now in a bargain zone and should be bought.
- 2. Others are marking time and should be avoided.
- 3. Still others have advanced substantially and should be sold at once.

These Bulletins should be of great value to anyone interested in the Stock Market. They may prevent you from suffering severe losses and enable you to secure substantial profits by taking advantage of present opportunities in stocks which are undervalued. For instance, these Bulletins discuss:

- The outlook for several specialties. Are there possibilities of considerably higher prices for GOLD DUST, AMERICAN HOME PRODUCTS, NATIONAL CASH REGIS-TER, COLUMBIAN CARBON, and CONTINENTAL CAN?
- 2. Are there indications of pool activity in NATIONAL DISTILLERS and DAVISON CHEMICAL?
- If the price of copper metal advances to 15 cents, as predicted in some quarters, what will be the profit possibilities in such stocks as KENNECOTT?
- 4. Are there sound reasons to believe that ROCK ISLAND, STANDARD OIL OF IN-DIANA, and PULLMAN are due for further advances?
- If the demand for steel substantially increases, may we expect considerably higher prices for U. S. STEEL, VANADIUM, and CENTRAL ALLOY STEEL?
- What effect will the threatened investigation of public utilities have upon such stocks as ELECTRIC POWER & LIGHT and ELECTRIC INVESTORS?

Information relative to the above securities will be sent to you free upon request, together with a copy of our book, "MAKING MONEY IN STOCKS." In addition, we shall be glad to send you a Special Analysis on an under-valued stock which we believe will advance from 15 to 20 points within a reasonable time.

SIMPLY MAIL THE COUPON BELOW

INVESTMENT RESEARCH BUREAU

Div. 194, Auburn, New York

Send me specimen copies of your current Stock Market Bulletins. Also a copy of "MAKING MONEY IN STOCKS." This does not obligate me in any way.

Name

City State



Investments in the securities of these companies are rated among the safest that the country affords. A composite investment in all of them would provide even greater safety through diver-sification, but would not be convenient for the average investor.

FIXED TRUST SHARES provide a method by which every investor can permanently identify himself with the future of these well-managed companies. The time and trouble incident to holding thirty separate securities are elim-

These are only a few of the many attractive features of Fixed Trust Shares but they explain why these Shares are recognized as among the

list of choicest investments available. Send for descriptive Booklet, "A Fixed Investment in America's Prosperity"

American Basic-Business **Shares Corporation**

67 Wall Street, New York



AMERICAN BASIC-BUSINESS SHARES CORP.

inated, while every elements of strength

Holders of these shares can easily

convert or dispose of their holdings at

knowing that securities of lesser merit

cannot be substituted because this is a "fixed" or non-discretionary Trust

There is the satisfaction of

is retained and intensified.

any time.

67 Wall Street, New York. Please send Booklet, "A Fixed Investment in America's Prosperity." Name

Address

Fenner & Beane 60 Beaver St. - New York

Fenner & Beane Bidg. - New Orleans

MEMBERS

N. Y. Stock Exchange
N. Y. Cotton Exchange
N. Y. Coffee & Sugar Exchange
New Orleans Cotton Exchange
Rubber Exchange of N. Y.

Chicago Board of Trade
Louisiana Sugar & Rice Exchange
N. Y. Produce Exchange
New Orleans Board of Trade

Associate Members

N. Y. Curb Market Ass'n.

Liverpool Cotton Ass'n.

STOCKS SUGAR COTTON RUBBER GRAIN COFFEE **PROVISIONS**

Bought and sold for cash or carried on conservative margin Private wires to New Orleans, Chicago and principal points throughout South.

tion for a change of policy. Since the enactment of the "Tilden Act" of 1893, the Supreme Court in New York State has been empowered with enlarged jurisdiction in cases where conditions have become so altered as to prevent a literal compliance with the endowment terms. But the courts take action only upon application of the trustee or custodian of the property, or sometimes of the Attorney-General. The proceedings involve delay and expense, are usually contested, and, as a rule, remedy is allowed in cases of extreme emergency only.

The strongest feature of the community trust is in its complete relief from restrictions imposed by a "dead hand." Donors can signify whether they desire either principal or income or both to be expended. These gifts, however, are subject to the terms of the community trust's regulations. The powers of these are so flexible that funds can be freely adjusted to meet changing conditions without any need of seeking court permission. The Carnegie Corporation is a foundation almost in a class by itself. So long as its character remains unaltered it must continue by sheer weight of its ac-cumulation of principal.

Responsibility of Trustees

The greater part of this principal is also so invested that its retirement and replacement invite grave problems. As head of the Carnegie Corporation Mr. Keppel has pointed out that trustees of all foundations have their responsibility for security of capital, wise investment and judicious expenditure of income. But he stresses the fact that Carnegie Corporation trustees have a particularly delicate task. Almost three-fourths of the Carnegie Corporation's \$124,000,000 fund are in a single security-U. S. Steel Corporation first Mortgage Bonds. This same security forms a substantial part of other Carnegie foundations. The preponderant share of these bonds mature in 1951. Restrained from expending principal the trustees must replace these bonds with an equal investment. What will it be? Although the event is more than twenty years distant, the trustees are already giving the matter serious consideration as a fairly imminent problem.

If the administration of the large amount of various foundation securities should ever fall into the hands of inefficient or unscrupulous men, a demoralizing effect upon market conditions might ensue. In such circumstances controlling influences in foundations might use power for their own invidious ends, precipitately selling and craftily manipulating. Thus far this situation has not arisen, nor does there seem any immediate danger. Rockefeller foundations, although managed by committees, are still under the scrutiny of their astute creators. Likewise, other foundations are directed by able and well-intentioned men. Their operations have been so few and inconsequential that the result upon the market has been imperceptible. On the

■ Stocks Which Should ■ Double in Value

Certain stocks, a goodly number of them—one need only glance back over the market records to see—have in recent markets doubled in value.

Does anyone believe this country will now cease to grow and certain companies to expand? Then this forecast, of stocks which double in value, is not in any sense unconservative but based squarely upon economic facts. It is a matter, above all else, of searching out the sound promising stocks that really are here.

After exhaustive investigations, Investors Supervisory Service has located four stocks, in which earnings show a strongly favorable upward trend, the companies occupy a well-established trade position, and the outlook is so satisfactory that these stocks should double in value.

These stocks—while of no interest to quick in-and-out speculators – are of decided interest to investors and bankers, to be held for a material appreciation in price.

> An analysis of one of these stocks which should double in value will be sent free, for a short time, to acquaint you with our work. Use coupon at right.

INVESTORS SUPERVISORY SERVICE

CLIP THIS COUPON AND MAIL

Suite 1041 Fifteen William Street New York Investors Supervisory Service,
Suite 1041, 15 William St., New York.

Please send me your analysis of "Stock Which
Should Double in Value" and copy of booklet "Managing Investment Funds," both free.

Name.

Address.....

te d ns a

y sf s y is

У

f

d

d

LOGAN & BRYAN

BROKERS

STOCKS, BONDS, COTTON, GRAIN, COFFEE, SUGAR, RUBBER, COTTONSEED OIL & PROVISIONS

MEMBERS:

MEMBERS:

New York Stock Exchange
New York Cotton Exchange
New York Froduce Exchange
New York Coffee & Sugar Exchange
New York Rubber Exchange
New York Curb Market
Chicago Board of Trade
Chicago Stock Exchange
San Francisco Stock and Bond Exchange

Benj. B. Bryan Louis V. Sterling James T. Bryan Ben B. Bryan, Jr.

PARTNERS: J. J. Bagley E. Vail Stebbins B. L. Taylor, Jr. Harry L. Reno Parker M. Paine William F. Kane R. C. Jenkins DeWitt C. Harlow

Private Wires Atlantic to Pacific connecting with important intermediate points in the United States and Canada

42 Broadway, New York Bankers Bldg., Chicago

BRANCHES: CHICAGO Congress Hotel

SAN FRANCISCO Financial Center Bldg. Crocker Bldg. SANTA BARBARA PASADENA LONG BEACH SAN DIEGO

CORONADO

LOS ANGELES 636 So. Spring St. Biltmore Hotel HOLLYWOOD TACOMA SPOKANE

OMAHA

DULUTH
MINNEAPOLIS
GRAND RAPIDS
FRENCH LICK
OIL CITY

HOT SPRINGS, VA.

SEATTLE Dexter-Horton Bldg. Olympic Hotel VANCOUVER, B. C. WINNIPEG TORONTO MONTREAL

QUEBEC

\$9,500,000 Dividends

Paid in 1927 to Owners of this Common Stock

In 1927 the 58,000 owners of Cities Service Common stock were paid over \$9,500,000 in cash or stock, bringing the total paid in dividends on this 17-year-old security to over \$92,000,000.

You can become a profit-sharing partner for 1928 in the \$650,000,000 Cities Service organization by putting your investment dollars to work in Cities Service Common stock. At its present price, this security will give you a net yield of over 81/4% on your money.

----- Mail the Coupon ----



Please send me full information about how I may participate in the 1928 dividends on Cities Service Common stock.

Address (182C-18)

other hand, continuous holding by foundations of large blocks of particular bonds and stocks has had a distinctly steadying effect upon market conditions.

Nevertheless, there is an aspect of possible peril which in no sense is due to lack of honest motive. Because of the limited number of trustees, men of high character, yet of no financial training, may become members of such boards and possibily sway their policies. The president of the Carnegie Corporation has dwelt upon this phase. By reason of its type of organization, the Carnegie Corporation board is restricted to a small number of trustees, of which a considerable proportion serve ex-officio. "As a result," says the president's report, "fewer of its own members are likely to be technically expert in matters of finance than would be the case in a larger board with unrestricted membership." The Finance Committee of the Carnegie Corporation has met this problem by enlisting the services of financial advisers.

From their inception the Rockefeller group of foundations have maintained Standard Oil Company and its auxiliary corporation stocks as the prime bulk of their investments.

Nearly \$93,000,000 of the Rockefeller Foundation funds and more than \$60,-000,000 of those of the General Education Board are oil stocks. Sales and purchases by the Rockefeller Foundation in recent years have been exceedingly slight. In one year the Rockefeller Foundation doubled its U. S. Government securities and sold 78,624 shares of Standard Oil Company of Kansas. These shares, carried at \$17.18 a share or \$1,351,433, were offered publicly at \$40, or \$3,144,960. In the same year it also sold 18,000 shares of Standard Oil Company of Indiana at \$43.35 a share, and it sold a few hundred other shares. In 1925 its sales were less than 15,000 shares of a few stocks; its purchases \$1,500,000 of Atlantic Refining Company's notes. In 1926 its holdings were reduced by retirement of \$5,658,000 preferred stock of Standard Oil Company of New Jersey, and its holdings were increased by acquiring \$10,000,000 of Standard Oil Company of New Jersey 20-year 5 per cent debentures; \$2,000,000 par value of Interstate Natural Gas Company bonds; \$1,100,000 of Southern Pacific Company, and \$390,000 of Pennsylvania Railroad equipment trust certificates. Because of a stock dividend its Union Tank Car Company holdings were increased from 40,000 to 60,000 shares.

The Carnegie Corporation in 1926 redeemed or sold \$1,172,000 worth of bonds, and purchased or transferred bonds for which it received \$2,306,000. From income it bought bonds of a market value of \$887,000. The securities purchased covered a variety of rail-road, public utility, industrial and foreign government bonds.

Manifestly, these small transactions have no effect upon a market which annually undergoes a stupendous turnover in the purchase and sale of stocks

59.4% Profit in Two Years!

WHEN, if ever, has there been a time when reliable information was more necessary than now?

one mind alone, the Digest presents the varied viewpoints of leading authorities, thus amplifying the basic principle of successful investing—the principle of diversification.

Are you willing to risk the future on the opinion of one authority? Safeguard your interests by reading The Business Economic Digest, which gives a complete digest of the stock market positions of all leading authorities.

dis-

due of of

ain-

uch

oli-

gie

his orion

ber ble

re-

ely

a

er-

he

his of

ler

li-

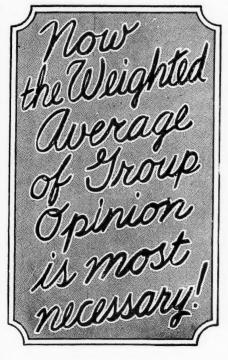
ne

d-

Unequalled Recommendation Record!

The Digest stands on its own productive merit. Its record is an eloquent and convincing witness to its success. Specific recommendations of the Digest during the past two years have averaged a net appreciation annually of 29.7% (not including cash dividends and valuable rights).

Fundamentally the Digest is unexcelled. Based on the compound intelligence of group opinion, rather than



"There is no certain way of predicting when business will begin to recover from a prevailing depression," says Mitchell in his treatise, "Business Cycles." "Only by compiling a composite record of numerous factors can an intelligent guess be made. The whole business situation is so full of cross currents and uncertainties at this stage of the cycle that forecasts are subject to a much wider margin of error than after the cumulation of prosperity has begun."

Use the coupon for a free current copy of the Digest, containing valuable stock recommendations.

The Obvious Method!

Not content with this significant consensus of reliable opinion, the Digest goes still further! It conditions each opinion with the famous Weighted Average, scientifically developed by Gage P. Wright, which weighs each statement according to the past accuracy of the authority.

Thus the Digest is doubly fortified: its comparative valuation is measured even more precisely by the Weighted Average of authoritative opinion.

You can make your market moves more accurately and more profitably. Join the host of investors, large and small, that reads the Digest religiously. Send now for a free copy

ommen-	The Business Fconomic Digest Gage P. Wright, Pres. 134 No. La Salle St., Chicago, 111.
With	Business Economic Digest 34 No. La Salle Street, Chicago, Illinois hout obligation, please mail me your current Digest, and booklet n Experts Disagree." I am interested especially in
Name.	Stock and Bond Outlook The Business Outlook
Address	£
City -	M.W.S43

"A MARKET AS LARGE AS HUMAN PROGRESS"

Insuranshares represent an evergrowing business



INSURANCE is one commodity that is never oversold. Its market expands with the progress of mankind.

Insurance is sold to the selected, substantial citizens—"Lincoln-hearted men" as Vachell Lindsay calls them.

Insuranshares Trust Certificates represent direct ownership of the stocks of important insurance companies—the most consistently profitable form of investment held by individuals, estates and corporations.

Understandable information on Insuranshares sent for the asking—representatives call only on request.

INSURANSHARES CORPORATION

::

67 Wall Street, New York

Tel. Whitehall 9082

PUTS & CALLS

If stock market traders understood the advantages derived from the use of PUTS & CALLS, they would familiarize themselves with their operation.

PUTS & CALLS place a buyer of them in position to take advantage of unforeseen happenings.

The risk is limited to the cost of the Put or Call.

Explanatory booklet 14 sent upon request. Correspondence invited.

GEO. W. BUTLER & CO.

Specialists in Puts and Calls

Guaranteed by Members of New York Stock Exchange

20 BROAD ST. NEW YORK Phones, Hanover 3860-1-2-3 New Issue.

CLARKSBURG-COLUMBUS

Short Route

Bridge Company First Mortgage 6½'s

Price 100 & Interest
To Yield 6½%
Special Circular on Request

Newburger, Henderson & Loeb

Members of the New York and Philadelphia Stock Exchanges

1512 Walnut St., Phila. 100 Broadway, New York

Direct Private Wires
New York Telephone, Rector 7060

KEEP POSTED

ODD LOTS

A well known New York Stock Exchange firm has ready for free distribution a booklet which explains the many advantages that trading in odd lots offers to both small and large investors. (225)

and bonds. The high bond prices now prevailing are due partly, if not largely, to foundation and other funds which buy in order to hold. As institutions which are not rivals of business the foundations act as conserving factors in the market.

A list is given herewith of the bonds and stocks owned by three of the largest foundations—the Rockefeller Foundation, the General Education Board and the Carnegie Corporation. In the case of the General Education Board the \$97,000,000 of securities listed were subject to considerable appropriations of principal voted but not paid at the time the list was prepared. So far as is known this list has never been presented before in any magazine or newspaper.

THE FUNCTION OF TAPE READING IN MODERN MARKETS

(Continued from page 421)

He does not depend on guess work but on business, economic and financial information. He has learned to become an acute analyst, taking nothing for granted except the possibility of error. He has learned to distinguish between fact and fancy. He applies as his test a rational basis of rigid investigation, much more highly developed than anything known in the past

thing known in the past.

The most important and most successful of all market operators today is a man who is probably one of the greatest students of security values in the country. In one case, after a very careful investigation into its properties, he manipulated the shares of a certain company until he had an important voting control and then, instead of dumping his shares on the market, proceeded to interest a group of financiers and sold them his stock at a very substantial profit. This is cited simply to indicate the type of change which is taking place in market manipulation.

In another case, an economist is reported as having accumulated a very large fortune through hard study of the condition of several companies to whose future he was originally attracted through coming into possession of some important information regarding their operations.

Neither one of these two men, who have made large fortunes in the market, has depended on the tape to tell him what to do nor could "read the tape" in the old sense.

As stated above, tape-reading under present conditions, has fortified its claim to serious consideration as a method of ascertaining future security values. It has a function in clearly depicting present conditions and this is of no inconsiderable importance in a market so large as the present which by its very size almost defies analysis. Its function ends at that point, however, and any claims to the contrary should be scrutinized with care.

34 Points Profit Taken on Goodrich

On August 16 subscribers to The Investment and Business Forecast of The Magazine of Wall Street were definitely advised to buy Goodrich around $65\frac{1}{2}$. On September 26, we recommended closing out this stock around $83\frac{1}{2}$ —a profit of 18 points per share.

On October 14 our subscribers were again specially advised to buy Goodrich around 79½. On December 9 we recommended closing out half of this commitment. Goodrich was then selling around 95½, so the profit amounted to 16 points per share. The remaining half commitment we advised subscribers to hold for further market appreciation.

Both of these recommendations were included in the "Trading" Section of the Forecast. Stocks recommended in this department are carried about six weeks on an average.

920 Points Net Profit January 1 to December 15 This Year

OUR consistently successful record month in and month out, demonstrates that the cash profit actually taken in Goodrich is but one illustration of the satisfactory results to be secured right along through following the specific buying and selling recommendations of the Forecast.

During the first half of December, for example, our subscribers accepted a total of 83 points net profit on 10 securities. This record includes $18\frac{5}{8}$ points profit taken on International Paper, pf., $13\frac{1}{4}$ on Standard Milling, $11\frac{1}{2}$ on California Packing, etc.

Other Goodrich opportunities are developing right along. Are you going to profit from them?

SUBSCRIBING to THE INVESTMENT AND BUSINESS FORECAST now may net you thousands of dollars within the next six months. Put our corps of market experts to work for you—let them seek out the opportunities, analyze conditions, weigh the possibilities, and—once a recommendation is made—study daily the action of the security until the time comes to close it out. Simply mail your check for \$75—saving you \$25 from the regular semi-annual price—with the coupon below and we will:

- telegraph you immediately three to five stocks in the best position to buy at the market when this wire is dispatched to you;
- (b) send you the regular weekly and all special issues and recommendations of The Investment and Business Forecast for six months;
- (c) analyze your present and contemplated holdings at any time during the entire life of your subscription and tell you what to do with each security you own;
- (d) wire you within the next six weeks (in addition to the regular and special advices of The Forecast) individual profit recommendations covering three stocks of which we will keep a card index record and advise you by personal telegram when to close them out.

□ No

Dec. 31

The Investment and Business Forecast is the only security advisory service conducted by or affiliated in any way with The Magazine of Wall Street.

.....

SIX	MONTHS	TEST	SUBSCRIPTION	COUPOI

THE INVESTMENT AND BUSINESS FORECAST

of The Magazine of Wall Street, 42 Broadway, New York City.

I enclose \$75 to cover my test subscription to The Investment and Business Forecast for the next six months. I understand that I am entitled to all of the privileges outlined above.

CityState ...

Wire me collect upon receipt of this coupon, three to five stocks to buy at the market.

ds nsi-

d

Complete **Brokerage** Service

Tri-Weekly Market Letter Service

To Our Clients

Odd Lot Trading Booklet Upon Request

Curb Securities Bought or Sold for Cash

JohnMuir&().

New York Stock Exchange New York Cotton Exchange

Associate Members
New York Curb Market

50 Broadway

New York

Electric Power and Light Corporation

Common Stock

Special Circular Upon Request

GOODBODY & CO.

Members New York and Philadelphia Stock Exchange and New York Curb Market

115 Broadway 350 Madison Ave.

New York New York Branch Office 1605 Walnut Street Philadelphia, Pa

New York Stock Exchange

RAILS

	1906	-War eriod		War eriod	Pe	t-War riod				
	1906	riod			Pe	riod				
	1908	-	Pe	eriod						
			7			-	1927		Last	Div'd
		3.1012	101/	1-1918	,	-1926				
						_		_	Sale	\$ Per
	High	Low	High	Low	High	Low	High	Low	12/21/27	Share
Atchison	125%	901/4	1111/4	70	172	913/4	210	1613/4	1943/4	7
Do. Pfd	1063/4	96	1021/8	75	102	72	1063/4	99%	1053/4	
Atlantic Coast Line	1481/2	1021/2	126	79%	268	77	2053/4	174 %	1891/	‡ 7
Baltimore & Ohio	1221/4	90%	96	881/4	1093/4	27%	125	1061/2	1173/4	6
Do. Pfd,	96	771/4	80	481/4	73%	381/2	83	731/4	811/2	4
B'klyn-Man, Transit					77%	91/4	70%	53	571/4	4
Do, Pfd.				* *		913/	88			
	000	100	0001/	700	893/4	31%		781/8	†84	6
Canadian Pacific	283	165	2201/8	126	170%	101	219	165	213%	10
Chesapeake & Ohio	92	511/8	71	35%	178%	46	2181/2	15134	206%	10
C. M. & St. Paul	1651/8	963/4	1071/6	35	523/4	31/4	19%	9	17%	
Do. Pfd	181	1301/2	143	621/2	76	7	343/4	18%	331/4	
Chi. & Northwestern	1981/8	123	136%	35	105	45 %	971/2	78%	87	4
Chicago, R. I. & Pacific			45 3/4	16	711/4	191/8	116	681/8	108	5
Do. 7% Pfd			943/4	44	108	64	111%	1023/4	†109	7
Do. 6% Pfd			80	353/4	98	54	104	951/4	1021/6	6
Delaware & Hudson	200	1471/2	1591/2	87	1831/2	831/4	230	171%	1841/4	9
Delaware, Lack. & W	340	1921/2	242	160	2601/2	93	140%	1301/4	136	‡ 6
Erie	611/4	331/2	591/2	1834	42	7	6934	391/2		
	493/4		543/4		551/4	111/4	661/4		63	1.5
Do. 1st Pfd		261/4		151/8			0074	52%	823/4	**
Do. 2nd Pfd	891/8	191/3	45%	131/8	501/4	71/8	641/8	49	611/2	
Great Northern Pfd	157%	1151/2	134%	791/4	100%	50%	103%	79%	993/4	5
Hudson & Manhattan				**	411/2	20%	65 %	401/2	501/8	21/2
Illinois Central	1621/8	1023/4	115	85 3/4	131	80%	139%	1211/8	134	7
Interboro Rap. Transit					53%	91/9	521/6	301/2	321/2	
Kansas City Southern	501/4	21%	351/8	131/2	51%	13	701/2	411/4	613/4	
Do. Pfd	751/8	56	651/2	40	683/4	40	73	6474	73	4
Lehigh Valley	1211/4	621/2	871/8	50%	106	391/2	1371/2	881/2	95 3/4	81/2
Louisville & Nashville	170	121	141%	103	155	843/4	1591/8	128%	154	7
Mo., Kansas & Texas	*511/8	*171/2	*24	*31/4	471/4	*3/4	561/2	311/2	42	
	*781/4	*46	*60	*61/2	961/4	*2	1091/2	95%		
Do. Pfd					45	81/4	62		108%	6
Missouri Pacific	*771/2	*211/2	381/2	19%		001		37%	51%	4.5
Do. Pfd	**		64 1/8	371/2	95	221/4	118%	901/8	1131/2	4.4
N. Y. Central	1473/4	90 %	1141/4	$62\frac{1}{2}$	1471/2	641/8	1711/2	1371/4	164%	8
N. Y., Chi. & St. Louis	1093/4	90	90 1/4	55	2041/2	23 3/4	135 %	110	1261/8	6
	1743/4	65%	89	211/8	48%	9%	61%	41%	61	
N. Y., Ontario & W	55 3/8	251/8	35	17	343/4	141/4	41%	231/4	34	1
	1191/4	841/4	1471/8	92%	170%	841/4	202	150	1923/4	\$8
Northern Pacific	1501/2	101%	118%	75	99%	47%	1021/	78	983/4	5
Pennsylvania	75%	53	611/2	401/4	571/8	321/4	68	56%	64 7/8	31/8
Pere Marquette	*331/2	*15	381/4	91/2	122	121/8	140%	1141/2	126	‡ 6
Pittsburgh & W. Va			40%	173/4	1351/4	21%	174	122	142	6
Reading	89%	59	1151/2	601/8	108	51%	123%	94	104%	‡4
Do. 1st Pfd Do. 2nd Pfd	463/4	411/4	46	84	61	82%	431/2	401/8	43	2
Do. 2nd Pfd	583/4	42	52	33%	*65	321/8	50	43%	144	2
St. Louis-San Fran	*74	*13	501/8	21	1081/2	10%	1171/4	100%	110	‡ 7
St. Louis Southwestern	40%	181/2	321/8	11	74	10%	93	61	78%	**
Seaboard Air Line	271/2	131/4	22%	7	541/4	21/8	41%	281/8	30%	
Do. Pfd	561/8	231/2	58	151/8	511/8	. 8	45%	321/6	401/2	
Southern Pacific	1391/8	83	110	75 3/4	1181/8	671/8	126%	1061/4	1235%	6
Southern Railway	34	18	363/4	121/8	1311/4	243/4	149	119	146%	8
Do. Pfd	86%	43	851/4	42	951/8	42	1011/	94	1001/2	5
Texas & Pacific	401/2	101/4	291/2	61/2	701/8	14	103%	537/8	101	
Union Pacific	219	1373/4	164%	1011/4	168%	110	197%	1591/2	1941/4	10
Do. Pfd	1181/2	793/4	86	69	811/4	611/4	851/8	77	85	4
Wahash	*277/8	*2	171/8	7	52	6	81	401/8	66	•
Do. Pfd. A	*61%	*61/4	601/4	30%	78%	17	101	76	1921/2	5
Do. Pfd. A Do. Pfd. B			32%	18	12	121/4	98	65	190	5
	*56	*40	23	91/4	18%	8	67%	18%	50%	
	*881/4	*531/4	*58	20	*30	11	671/3	23	50%	
Western Paoific			251/8	11	40	12	471/	251/4	361/2	**
Do. Pfd			64	35	861/2	511/2	76%	55	61%	* *
Wheeling & Lake Erie	*127/4	*21/4	27%	8	32	6	130	271/2	†70°	
Do. Pfd.			50%	16%	531/9	91/4	87	471/4	177	
Arva Alda			/-			/•	-	/=	1	* *

INDUSTRIALS

		eriod		/ar criod		-War riod				
				-		-	19	27	Last	Div'd
	****	0.1010	101/	-1918	1010	-1926				
	190	9-1913	191	F-1919				_	Sale	\$ Per
	High	Low	High	Low	High	Low	High	Low	12/21/27	Share
Adams Express	270	90	1541/9	42	136	22	210	124	183%	6
Ajax Rubber			891/8	451/8		41/4	13	71/2		
Allied Chem. & Dye					148 %	34	1691/4	131	153	6
Do. Pfd					12234	83	124	120	1221/4	7
Allis-Chalmers Mfg	10	7%	491/4	6	971/4	261/2	118%	88	11334	6
Am, Agric, Chem	63%	331/2	106	473/4	113%	71/2	18%	81/4	171/2	
Do. Pfd	105	90	1031/2	891/8	103	18	66	281/4	63 %	
Am, Beet Sugar	77	1934	1081/2	19	103%	241/2	25%	15%	18	
Am. Bosch Magneto					143%	28	2634	13	211/4	
Am. Can	47%	67/8	631/2	191/4	*3441/2	*213/4	77%	43%	761/4	2
Do. Pfd	1291/4	98	1141/2	80	1301/	72	1381/4	126	†1341/4	7
Am, Car & Foundry	761/2	361/2	98	40	*201	971/2	1091/4	95	103	6
Do. Pfd.	1243/4	1071/2	1191/4	100	1301/4	105%	134%	124%	128	7
Am, Express	300	943/4	1401/2	771/2	175	761/2	183	127	167	6
Am. Hide & Leather	10	3	221/8	21/2	431/4	5	12%	7%	121/6	
Do. Pfd.	517%	151/4	94%	10	142%	293/4	66%	48	†58½	
Am. Ice			49	87/8	139	37	32%	253/4	31	2
Am. International			623/4	12	1321/4	17	60%	37	59	2
	4734	20	92	24	113	41/4	921/4	46%	84%	-
	74%	19	981/4	46%	1447/4	58	116	991/4	108	8
Am. Locomotive	122	75	109	93	1241/4	961/4	127	11914	125	7
Do. Pfd	Two				67%	88%	48	861/4	461/4	3
Am. Metal	*500	*200	*445	*235	*345	64	14774	1101/4	134	8
Am. Radiator					76%	*81/6	64 %	49		3
Am. Safety Razor			• •		.074	-75	0278	2.0	56%	ø

When doing business with our advertisers, kindly mention THE MAGAZINE OF WALL STREET

Am. S Do. Am. S Do. Am. S Do. Am. Too. Am. V. Am. V. Do. Anacon Associa Do. Do. Atl. G Do. Atlanti Austin

Do.
Bethleh
Do. 7
Brookly
Brookly
Brookly
Burns I
Do. 1
Butte &
Californ
Californ
Central
Do.
Ferro d
Chile C Chrysler
Do.
Coca Co
Colorad
Columbi
Congolo
Consolid Consolid

Do. Baldwin

Consolic Contine Corn Pr Do. Crucible Cuba C Do. Cuban-A Cuyame Davison Dupont Eastman Electric Endicoti Do. 1
Fisk Ru
Do. 1
Fleischn
Foundat
Freeport General General

General
General
Do. 7
Goodrich
Do. I
Goodyea
Do. P Do. P Granby Great N Gulf Str Houston Hudson Hudson Huspr M Inland Inspiration Inter. C Inter. B Inter. B Inter. B Inter. E Kelly Sp Do. 8 Kenneco

Kinney Lima L Loew's
Loft, In
Lorillard
Mack T

DECE

Magma Mallinson

PriceRange of Active Stocks

INDUSTRIALS—Continued

	Pre-War Period			War eriod		t-War eriod				
		eriou	_	-L-			199	27	Last	Div'd
		9-1913		4-1918		1919-1926			Sale	\$ Per
*	High	Low	High	Low			_		12/21/27	Share
Am. Sh'n & Commerce Am. Smelt, & Ref	1051/	56%	12334	501/4	47½ 152	291/4	6% 184%	2½ 132%		8
Do, Pfd	741/	241/8	95	44	50	18	1321/8	1191/4	129%	7
Am, Steel Foundries Do, Pfd	116%	981/4	118%	97	122% 115	631/4 78	72¾ 115	1101/	63½ †112	3
Am. Sugar Refining	136%	99%	1261/2	891/	143%	36	95 %	651/4		5
Do. Pfd	1331/		123½ 134½	106 90%	119	67½ 92¼	1161/2 1851/2	104	107	7
Am. Tel. & Tel	153% *530	*200	*256	*123	*3141/2	821/2	189	1491/4	1721/2	8
Do. Com. B				* *	*210	811/4	186	1191/4		8
Am. Water Works & Elec	40%	15	60%	12	*144 1691/2	19	721/a 83%	16%	60 20¾	‡.80
Do. Pfd	107%	74	102	721/2		66	861/	46%	491/4	
Anaconda Copper	54%	271/4	105% 28	241/4	*1401/2	281/2 461/4	59 53%	411/4 391/4		21,
Do. 1st Pfd			75	501/2	1021/2	49%	111		†111	6
Do. 2nd Pfd	13	5	491/2 1473/4	35 41/2	110 192%	38 91/4	114	105	†112	7
Atl. Gulf & W. Indies Do. Pfd	32	10	74%	9%	761/2	6%	41%	30% 29%	391/2	
Atlantic Refining					*1575 40%	781/2	131%	104	10874	4
Austin Nichols					95	50%	101/4	24	4½ 24½	
Baldwin Locomotive	603/4	36½ 100¼	154½ 114	26%	167¾ 119¼	621/4 92	265 ¾ 125 ¼	1431/8	253	7
Do. Pfd	107½ *51%	*183/4	1551/2	593/4	112	37	661/6	116 43%	121½ 56¾	7
Do. 7% Pfd Brooklyn Edison Electric	80 134	47 123	186 131	68 87	108 163	78 82	118½ 203½	104¾ 148½	117¾ 196	7
Brooklyn Union Gas	1641/2	118	1383/4	78	*128	41	1541/2	89%	145	8
Burns Brothers	45	41	1611/2	50	147	76 17	125 ¾ 28 ¼	85½ 16¼	103 †17	8
Rutte & Superior			1051/4	121/4	37% *179½	61/2 481/4	11¾ 75¾	7%	101/2	2
California Packing	721/2	16	50 42%	30 8	*71%	15%	88%	601/4 20	75 241/8	4
Central Leather	51¾ 111	16½ 80	123 117½	25 % 94 %	116½ 114	9 1/4 28 1/4	24%	8%	†23	
Do. Pfd			55	25	731/2	23	683/4	58	†100 67	4
Chile Copper			391/4	111/4	38% *253	*1081/4	41% 69%	331/4 381/4	403/4	21/2
Chrysler Corp Do. Pfd					111%	100%	116	10234	61%	8
Coca Cola	53	221/2	661/2	201/2	177% 56	18 20	181 96%	96½ 42%	129 843/4	5
Columbia Gas & Liec			541/8	141/4	*114% *184%	301/4 121/2	98%	82%	91%	5
Congoleum-Nairn					871/4	11%	29 ¾ 86 ¾	171/4	28 821/ ₂	7
Consolidated Gas	*1651/4	*1141/2	*150½ *127	*112½ *37½	*145¾ *131¾	56¾ 34¾	121 % 86%	94 58%	1171/2	5
Continental Can	261/2	7%	501/2	7	*1601/2	211/2	68	46%	651/4	5 ‡2
Do, Pfd, Crucible Steel	98½ 195/8	61/2	113½ 109¾	581/8 121/4	1301/4 *2781/2	96 48	139% 96%	128 761/4	137½ 87¼	6
Cuba Cane Sugar			76%	247/8	59% 87	55/8 131/8	10%	47/4	71/2	
Do. Pfd Cuban-American Sugar	*58	33	100½ *273	771/4 +38	*605	10%	50¾ 28⅓	28% 18%	211/2	i
Cuyamel Fruit					741/2 811/4	82 20%	431/8	30 261/4	1481/2 401/2	
Davison Chemical Dupont de Nemours					*360	105	343%	168	3231/6	‡10
Fastman Kadel	*No *641/4	Sales *42	*605 *78	*605	*690 *153	70 37	175¼ 81	1261/4 631/4	166½ 76¼	‡5 ‡5
Electric Storage Battery Endicott-Johnson			* *		150 120	84	81¼ 125	643/4	76%	5
Do. Pid.					55	51/2	20	116%	†121½ 16½	7
Do let Pfd.		• •			1161/4 *1711/2	381/8 •75	100 693/4	81 461/4	91%	7
Fleischmann Co. Foundation Co.					18334	581/4	88%	35	67% 40%	‡3
Freeport-Texas General Asphalt	42%	151/2	70½ 39%	25 3/4	64% 160	71/2	106½ 96¾	34 65	103¼ 81½	‡4
General Cigar			1871/4	118	*1151/4 *3861/2	46 109½	74%	52	723/4	4
	$188\frac{1}{2}$ $*51\frac{3}{4}$	129¾ *25	*850	*74½	225%	*81/8	146% 141	81 1131/4	134 1351/4	‡4 ‡5
Do. 7% Pfd. Do. Pfd. Do. Pfd.	861/2	151/2	801/4	19%	122 ¹ / ₄ 93%	951/8	125% 961/2	1181/2	125	7
Do. Pfd.	10934	73%	1163/4	79%	1091/2	621/2	1111/4	423/4 95	93% 111½	7
Goodwear T. & R. Flu.					1145% 1097%	35 38	65 % 97 %	48% 92½	63 96	7
Do. Prior Pfd	781/4	26	120 50%	58 221/2	80 52%	12 18	45	311/8	42%	
Great Northern Ore Ctrs	881/2	251/2	137	5834	104%	25	28¾ 64	18 40	24 52	11/2
Houston Oil	251/2	8	86	10	116½ 139½	40½ 19½	17534	601/8 481/4	161½ 81¼	5
Hupp Motor Car			11	21/2	31	45%	91½ 36¼	16	35	1.40
Hupp Motor Car Inland Steel Inspiration Copper	21%	13%	743/4	141/4	50 68%	31 1/8 20 3/4	57% 25% 110%	121/2	55 21%	21/2
			52 %	24	*1761/4 691/4	283/4 195/8	110%	531/8 401/8	109	5
			121	104	1581/8	663/4	2503/	135 3/8	55 248	‡6
Inter. Harvester Inter. Mercl. Marine Do. Pfd. Inter. Nickel Inter. Paper	9 27%	21/8 121/2	50 % 125 %	8 %	673/4 1281/2	47/8 181/2	8% 55% 79% 81%	31/2 321/2	417/8	
Inter. Nickel	*2271/4	*135	571/2	241/2	481/2	241/4	791/4	381/4	791/4	2
	1934	61/2	751/2 85	91/2 36%	91¾ 164	27%	321/4	391/2	73½ 28	2.40
Do. 8% Pfd. Kennecott Copper			101 641/4	72 25	110 641/4	33 14%	108	38 60	85 841/8	5
Kinney (G. R.) Co			04 1/4	20	103	351/2	45	1934	†31	4
Kinney (G. R.) Co Lima Locomotive		* *			74% 48%	52 10	78%	49	†56 57%	4 ‡2
Loew's Inc.					28	51/2	63% 7%	5	+57%	
Loew's Inc. Loft, Inc. Lorlilard (P.) Co. Mack Trucks Magma Copper	2151/2	-150	*239%	*1441/2	*245 242	273/4 251/2	451/4 1183/4	23½ 88¼	383/4	6
Magma Copper					46 45	261/8	53 203/4	291/2	525% 171/4	3
Mallinson & Co							74	/12	14	
	Ple	ase tu	rn to	next	page)					

KIDDER, PEABODY & Co.

NEW YORK 17 Wall St. BOSTON 115 Devonshire St. Branch Offices
K BOSTON
St. 216 Berkeley St. NEW YORK 45 E. 42nd St. NEWARK 5 Clinton St. PROVIDENCE 10 Weybosset St.

Conservative **Investments**

Suggestions on Request

Correspondents of

BARING BROTHERS & CO., LTD. LONDON

Daily Market Let

touching on technical conditions of individual stocks, gladly sent upon request.

Special attention given Odd Lots

C. H. Van Buren & Co.

Members New York Stock Exchange

66 Broad St.

Telephone Hanover 5381

In the Market Letter this Week

Observations on

Packard Motor Car Co.

SENT ON REQUEST ASK FOR 1224-4

LISTED BONDS AND STOCKS bought and sold for cash, or carried on conservative margin

McClave & Co.

New York Stock Exchange New York Cotton Exchange 67 Exchange Place

New York

Telephone Hanover 3542

BRANCHES

Hotel Ansonia, 73rd St. & B'way, N. Y. 1451 Broadway, Cor. 41st St., N. Y. New Brunswick, N. J.

THE GRANGER FINANCIAL REVIEW

in its current issue reviews

Seagrave

American Metal

American Can

Copy furnished on request

SULZBACHER, GRANGER & CO.

MEMBERS New York Stock Exchange New York Cotton Exchange New York Curb Market

111 Broadway Branch Offices

2 East 57th St., New York Asbury Park Berkeley-Carteret Hotel Arcade

New York Stock Exchange Price Range of Active Stocks

INDUSTRIALS—Continued

War

Pre-War

Maracaibo Oli Explor		Pre-War Period			Var eriod		t-War riod				
Marzanilo Oll Explor Mariand Oll Explor Marjand Oll Ma		_	-	_	-	_	-	19	27		
Maraino Oll Explor **May Department Stores** ***May Department Stores** ***Matonian General Start Stores** ***Matonian Canada** ***Matonian Danier Yrod** ***Matonian Danier Start Stores** ***Mationian Land** ***Mationi								High To-			
Mary Department Stores	Warraniba Oli T					_		-			Share
May Department Stores	Marland Oil	**	• •	• •		63%	121/4		31	351/2	**
Miant Copper	May Department Stores	*88	*65	*971/2	*35	*174%	*60	90%	663/	86	4
Montgomery Ward	Mexican Seaboard Oil	301/	193/	4934	1614	341/2		91/4			
National Biscult "161 *96% *139 *79% *270 \$5%, 187 \$94½, 174 \$5 National Enam. & Stamp. 30% 9 54½ 9 89½ 131¼ 355 19½ 23 National Enam. & Stamp. 30% 9 54½ 9 89½ 131¼ 355 19½ 23 National Enam. & Stamp. 30% 9 54½ 9 89½ 131¼ 355 19½ 23 N.Y. Deck. 40% 48 27 27 99½ 79% 131% 55 129 5 N.Y. Deck. 40% 48 27 29% 100 100 100 100 100 100 100 100 100 10	Montgomery Ward			20 /4	1079	821/9		1191/2			
Mational Enam. & Stamp. 30% 9 54% 9 89% 181% 33% 19% 28	National Biscuit	*161	*961/2	*139							
Mational Lead	National Enam. & Stamp	301/4	9	541/4							3
N. Y. Dock	National Lead	91	421/2	74%	44	181	631/2	135	95	129	
North American	N. Y. Dook						26%				3
Packard Motor Car	North American	*87%			*387/8	*1191/2	11/2	641/2	45%	60	
Do. Class B. Paramont-Fam. Players-Linky Pa	Do. Pfd			• •				5934		583/2	
Do. Pfd. Philadelphia Co. 1. 59 57 48% 21½ 51 20½ 183% 35½ 1813½ 54 1813½ 5	PanAm. Pet. & Trans			70%	35	1401/4	381/8	65 %	401/4	41	
Do. Pfd. Philadelphia Co. 1. 59 57 48% 21½ 51 20½ 183% 35½ 1813½ 54 1813½ 5	Paramount-Fam. Players-Lasky	**				1113/4		66% 114%	92	11114	÷ġ
Pierce-Arrow	Do. Pfd			* *		1241/2	66	12434	1147/	+1211/4	8
Pierce-Arrow	Phila, & Reading C. & I	-				541/4	341/2	47%	373/	40	7.9
Do. Pfd. 109 88 1274 1347 10924 3734 5114 10924 3734 5114 10924 3734 5114 10924 3734 5114 10924	Phillips Petroleum					69%	16	601/4	361/4	411/2	3
Pritsburgh Coal	Do. Pfd				88	1271/4		1021/2	373/4	513/4	
Pub. Serv. N. J. 200	Pittsburgh Coal	*29%	*10			74%	29	741/2	323/4	1993/	
Pub. Serv. N. J. 200	Pressed Steel Car		181/2	88	171/4	1133/4		78	261/2	†70°	
Punt Alegre Sugar	Do. Pfd	112		1091/8		106	67	921/2	761/2	1873%	
Punt Alegre Sugar Pure Oil of America 143% 81% 81% 61% 61% 184% 83% 27 30% Radio Corp. of America 149% 15% 96 18 145 40% 77% 53 5% 101 41% 93½ Do. Pfd. 111¼ 64% 112% 72 106% 74 116 40% 93½ Do. Pfd. 111¼ 64% 112% 72 106% 74 116 40% 93½ Do. Pfd. 111¼ 64% 112% 72 106% 74 116 40% 93½ Do. Pfd. 111¼ 64% 112% 72 106% 74 116 40% 93½ Do. Pfd. 111¼ 64% 112% 72 106% 74 116 40% 93½ Do. Pfd. 111¼ 64% 112% 72 106% 74 116 40% 93½ Do. Pfd. 111¼ 64% 112% 72 106% 74 116 40% 93½ Do. Pfd. 111¾ 64% 112% 72 106% 74 116 40% 116 40% 116 40% Do. Pfd. 111¾ 64% 112% 72 106% 118 118 118 118 118 118 118 118 118 11		200	149	177		1991/2	871/4	84%	783/4	83	
Radiol Corp. of America. Republic Irom & Steel. 49½ 15¾ 96 18 145 47 72 106 47 74 106 96% 125½ 47 106 96% 12	Punta Alegre Sugar				29	120	243/4	8814			3112
Do. Pfd.	Radio Corp. of America					77%	25%	101	41%	931/2	
Savage Arms	Republic Iron & Steel						401/8	75% 106	9654		
Schulte Retail Blores	Royal Dutch N. Y			86	56	123%	40%	541/2	441/4	47%	3.13
Sears Roebuck & Co. *124% *101 *233 *120 *243 *544 *514 *512 *516 *516 *514 *515 *516 *516 *516 *516 *516 *516 *516	Davis Ziliis	* *		119%	39%	108%					
Shell Union Oil	Sears, Roebuck & Co	*1243/4	*101	*233	*120	*243	*541/4	911/2	81	891/4	21/4
Simmon Company 54% 22 63 33% 59 2	Shell Union Oil						29½ 12¼		41% 24%	742% 257%	
Sinclair Consol. Oil	Simmons Company					54%	22	63	381/2	59	
Sloss-Sh. Steel & Iron 94% 23 93¼ 19½ 148½ 33½ 33¼ 110¾ 1117 6	Simms Petroleum			6714	251/			26%	141/4	261/8	
Standard Oil of Calif. *488 *322 *800 *355 *212 *30% *41% *50% *56 *21	Skelly Oil					371/8	85%	87%	241/8	27%	
Standard Oil of N. J.	Standard Oil of Calif.	94%	23	931/4	191/2	*135	32 1/8 47 1/6	60%	50%		
Studebaker Company	Standard Oil of N. J	*488	*322			*212	30%	41%	3536	39%	#1
Studebaker Company	Stromberg Carburetor					1181/4	221/2		261/8		
Teams Company	Studebaker Company			195		*151	301/2		49	603/4	
Texas Company 144 74½ 243 112 58 29 58 45 53 3	Tennessee Cop. & Chem	981/8	64 1/2					131/4		10%	1/2
Tex. & Pac. Coal & Oil. Tide Water Oil	Texas Company						29	58			
Timken Roller Bearing Tobacco Products 145 100 82% 25 116% 45 117% 92% 114% 7 Do. Class A 113% 76 119 108 117% 7 Transcontinental Oil 10	Tex. & Pac. Coal & Oil					*275	12	18%	12	141/4	
Tobacco Products	Tide Water Oil			225	165		51/2	19%		17%	÷.
Do. Class A 1183% 78 119 108 117% 78 119 108 117% 78 119 108 117% 78 119 108 117% 78 119 108 117% 78 119 108 117% 78 109 108	Tobacco Products	145	100	82%	25	116%	45	117%	923/4	1143/4	7
United Cigar Stores	Do. Class A					118%				1171/4	7
United Cigar Stores	Union Oil of Calif					58%	33	861/4	39%	45	
Do. Ist Pfd. 208% 126% 175 105 *294 955% 160 113% 163%	United Cigar Stores							2001/	32% 159	331/2	
United Fruit 208½ 126½ 175 105 *294 95¾ 180 113½ 123½ 14 D. S. Cast fron Pipe & F 32 9¼ 31¾ 73½ 250 10½ 246 100½ 217% 10 D. Pfd. 34 40 67½ 30 118 38 125 112 †190 7 U. S. Indus, Alcohol. 57½ 24 171½ 15 107 35½ 111½ 69 109 5 U. S. Realty & Imp. 87 49% 63¾ 8 *184½ 17 69¾ 54 67½ 4 U. S. Rubber 59½ 27 800¼ 44 143¾ 225 67½ 57½ 57½ 56 Do. 1st Pfd. 123½ 98 115½ 91 119½ 66¼ 111¾ 85¾ 102½ 18 U. S. Sheel. 85 30% 81½ 20 73¾ 185% 48% 30% 47% 3½ U. S. Steel. 94¼ 41¼ 136¾ 38 160½ 70¾ 180¾ 111¾ 85¾ 102½ 123 U. S. Steel. 94¼ 41¼ 136¾ 38 160½ 70¾ 180¾ 111¾ 147% 7 Do. Pfd. 131 102½ 123 102 130¾ 104 189 129 139 7 Utah Copper 67½ 38 130 48½ 116 41½ 47 111 147% 7 Vanadium Corp. 97 19½ 55¾ 157% 76 172 14¼ 171¾ 8 Westinghouse Air Brake 141 132½ 143 95 146 76 80¼ 40 46½ 20¼ 20 Wostinghouse E. & M. 45 24¾ 74% 32 84 38 38 38 39 47¼ 67% 37 64¼ 171¾ 8 Westinghouse Air Brake 141 132½ 143 95 146 76 80¼ 40 46½ 20¼ 20 White Eagle Oil 98 24¾ 74% 32 84 38 38 39 27 34¼ 177% 90% 40 46½ 20 White Motors 98 225 15 40¼ 4½ 25% 39¾ 17% 10 11½ 175% 10 0. Pfd. 100 69 123% 23 96 87 94½ 17% 10 0. Pfd. 42 20 100 85¾ 98½ 44 61¼ 44 51 175% 100 Pfd. 85 48 85 48 85% 30¼ 40 46½ 20½ 20½ 20½ 20½ 20½ 20½ 20½ 20½ 20½ 20	Do. 1st Pfd,			54	46	59	36%	60%	501/6	†60	31/2
D. Pfd.	United Fruit		1261/2	175			9534		1131/2		
U. S. Raelty & Imp. 87 49% 63% 8 *184½ 17 69% 54 67% 4 U. S. Rabber 59½ 27 80½ 44 143% 22½ 67% 37% 56 Do. 1st Pfd. 123% 98 115½ 91 119½ 662 111% 85% 102% 8 U. S. Brubber 59½ 27 80½ 44 143% 22½ 67% 37% 56 Do. 1st Pfd. 123% 98 115½ 91 119½ 662 111% 85% 102% 8 U. S. Smelt., Ref. & M'n. 59 30% 81½ 20 78¼ 186% 48% 33% 47% 3½ U. S. Smelt., Ref. & M'n. 59 30% 81½ 20 78¼ 186% 188 180½ 111% 185% 102% 8 U. S. Smelt., Ref. & M'n. 59 30% 81½ 20 78¼ 186% 188% 187% 197% 3½ U. S. Smelt., Ref. & M'n. 59 30% 81½ 20 78¼ 186% 188 180½ 111% 187% 47% 3½ U. S. Smelt., Ref. & M'n. 59 30% 81½ 20 78¼ 187% 187% 147% 3½ U. S. Steel 96% 188% 188% 189% 189% 189% 189% 198% 189% 198% 189% 198% 198	D. Pfd	84	40	671/2	30	118	38	125	112	+120	7
U. S. Rubber 59½ 27 80½ 44 143¾ 22½ 67⅓ 37⅓ 56 Do. 1st Pfd. 123⅓ 98 115½ 91 119½ 66⅓ 111⅓ 85⅓ 102⅓ 8 U. S. Smelt., Ref. & M'n. 59 30% 81½ 20 75⅓ 18⅓ 48⅓ 33% 47⅓ 3½ 10.5 U. S. Smelt. 131 102½ 123 102 130¾ 104 189 129 139 7 U. S. Steel 131 102½ 123 102 130¾ 104 189 129 139 7 Utah Copper 67½ 38 130 48½ 116 41½ 111⅓ 147 11 147 Utah Copper 67½ 38 130 48½ 116 41½ 147 111 147 Utah Copper 67½ 38 130 48½ 116 41½ 147 111 147 Utah Copper 67½ 38 130 48½ 166 41½ 147 111 147 Utah Copper 67½ 38 130 48½ 166 41½ 147 111 147 Utah Copper 67½ 38 130 48½ 167 76 172 144½ 1711¾ 8 Westinghouse Air Brake 141 132½ 143 95 146 76 80½ 40 46½ 2 Westinghouse E. & M. 45 24¾ 74⅓ 32 84 38⅙ 94⅓ 67⅓ 90 90⅓ 1 Wilte Metors 60 30 104½ 29¼ 58⅙ 30¼ 37⅓ 2 White Eagle Oil 100 69 123⅓ 23 98 87 194⅓ Do. Pfd. 100 69 123⅓ 23 98 87 194⅓ 175⅙ Worthington Pump 69 23¼ 117 19 46 20⅓ 100 Worthington Pump 69 23¼ 117 19 46 20⅙ 50 Worthington Pump 69 23¼ 117 19 46 20⅙ 50 Worthington Pump 69 23¼ 117 19 46 20⅙ 50⅙ 50 Worthington Pump 69 23¼ 117 19 46 20⅙ 51 C. Pfd. & 764 2	U. S. Indus, Alcohol	571/4		1711/2				1111/2			
U. S. Sheelt., Ref. & Mt. 99 43% 4114 1389% 38 160½ 70% 160% 111% 147% 7 Do. Pfd. 131 102½ 123 102 13034 104 189 129 139 7 Utah Copper 67½ 38 130 48½ 116 41½ 47 111 147 6 Vanadium Corp. 97 19½ 67% 37 64% 17 64	U. S. Rubber	591/2	27	801/2	44	1433/	221/2	67%	371/4	56	
U. S. Steel 94% 41% 139% 38 160% 70% 160% 111% 147% 70% 70% 160% 111% 147% 70% 70% 160% 111% 147% 70% 70% 160% 111% 147% 70% 70% 160% 111% 147% 70% 70% 160% 111% 147% 70% 70% 111% 147% 70% 70% 111% 147% 70% 70% 111% 147% 70% 70% 111% 147% 70% 70% 111% 147% 70% 70% 111% 147% 70% 70% 111% 147% 70% 70% 111% 147% 70% 111% 147% 70% 70% 111% 147% 70% 111% 147% 70% 111% 147% 70% 111% 147% 70% 111% 147% 147% 147% 111% 147% 70% 111% 147% 70% 111% 147% 147% 147% 111% 147% 147% 147	Do. 1st Pfd			811/4		781/4	66½ 18¾				
Do. Pfd.	U. S. Steel		411/4		38		701/4	1601/2	111%	147%	
Vanadium Corp.	Do. Pfd	6714	1021/2	123		116					6
Westinghouse Air Brake 141 132½ 143 95 146 78 80½ 40 46½ 20½ 43 46½ 20½ 43 46½ 20½ 2	Vanadium Corp.					97	191/8	671/6	37	647/8	‡3
White Eagle Oil	Westinghouse Air Brake						76	5014		461/6	
White Eagle Oil	Westinghouse E. & M					84	38 7/8	9434	67%	90%	4
Willys-Overland *75 *50 *325 15 40\\(4\\ \) 24\\\ 24\\ 13\\ 17\\ 5\\ 10\\ Do. Pfd. \) 100 69 123\\(123\\ 6\\ 13\\ 17\\ 6\\ 10\\ 10\\ 6\\ 10\\ 10	White Eagle Oil			60	30	1041/4	291/4	58%	301/2		
Do. Pfd. 100 69 123% 23 86 87 794% Wilson & Co. 844 42 104% 44, 17% 10 111% Woolworth (F. W.) Co. °177% °761% °151 *811% °935 72½ 198% 117% 192 5 Worthington Pump 69 231% 117 19 46 20% 130 Do. Pfd. A 100 85% 98½ 44 611% 44 51 5 5 784 20 784 50 81 37% 544 544 57 45	Willys-Overland		*50	*325	15	401/4	43/2	24 %	131/2	17%	
Worthington Pump	Do. Pfd.	**	4.4		42	104%	41/4	17%			
Do. Pfd, A	Woolworth (F. W.) Co	*177%	*761/2	*151	*811/2	*345	721/2	1981/2	117%	192	
The Del B 7834 50 81 3744 544 37 45	Worthington Pump				23½ 85¾			6134			
Youngstown Sh. & Tube 95% 55% 57% 50% 95	Do. Pfd. B			78%	50	81	371/4	541/4	37	45	
	Youngstown Sh. & Tube	**		**	**	951/4	09%	87%	50 %	30	Đ

[†] Bid Price. ‡ Not including extras. § In stock. * Old Stock.

DE

A Special Letter

S

PURE OIL

will be forwarded on request

Ask for M.W. 40

Bruning, Jackson & Co.

Members New York Stock Exchange

60 Broad St. New York

Branch Office

475 Fifth Ave. New York

Earnings

may have little effect upon day to day fluctuations but are an important item governing market values over a period.

Consult our Statistical Department without obligation. The

ODD LOT

department affords the same efficient facilities for executing small orders as those for 100 Share Units.

Write for convenient handbook on Trading Methods and Market Letter MG 14.

(HISHOLM & (HAPMAN

Members New York Stock Exchange

52 Broadway New York Telephone Hanover 2500

Securities and Commodities, Analyzed, Rated and Mentioned in This Issue

Atlantic Refining 419

PETROLEUM

Barnsdall, A	41
California Petroleum	
Houston Oil	41
Independent Oil	41
Marland	41
Mid-Continent Petroleum	41
Pan American "B"	41
	41
	41
	419
	419
	419
Skelly Oil	419
Standard Oil of Cal	419
Standard Oil of N. J	419
Standard Oil of N. Y	
Texas Corporation	
Texas-Pacific Coal & Oil419,	
Tidewater Associated	
Union Oil	419
BONDS	
Bond Buyers' Guide	423
U. S. Rubber 1st Ref. 5s 1947	419
COMMODITIES	
Chemicals	472
Steel	
MINING	
Ohio Copper	465
PUBLIC UTILITIES	
Commonwealth Power	422
Hudson & Manhattan	424
RAILROADS	
42 Roads Compared as to Sources	
of Revenue and Type of Freight	
Carried	426
INDUSTRIALS	
Chicago Vellow Cab	165

Unicago renow Cab	400
Childs Co	432
Comparison and Rating of 16 Mar-	
ket Groups	429
Cuban-American Sugar	469
Cuba Cane Sugar	438
Electric Storage Battery	444
Foundation Co	444
Great Western Sugar	468
International Agricultural	465
S. S. Kresge	465
Loew's Inc	464
McCrory Stores	444
Montgomery-Ward	466
Punta Alegre Sugar	434
Droformed Stock Guide	425

South Porto Rico Sugar 468

Established 1873

Members N. Y. Stock Exchange

Accounts Carried

Conservative Margin

Weekly Market Letter on request

25 Broad St., New York Telephone Hanover 8030-8045, Incl.



Stock and Bond Register

A convenient personal outline of your securities can be quickly made in this complete pocket size record. It also contains tables for calculating bond interest and dividend paying stock yields. We shall be glad to send a copy to you on request.

OTIS & CO.

Established 1899

CLEVELAND

New York, Chicago, Detroit, Cincinnati, Columbus, Toledo, Akron, Canton, Massillon, Denver, Colorado Springs, Louisville, San Francisco

Members New York and other leading Stock Exchanges



The Who's Who of Business

Poor's Register of Directors of the United States lists, first alphabetically and second by state and city, the more than 60,000 really important men of America—the directors or partners in the nation's leading businesses. For each one it shows not only his principal business connection but, so far as available, all the other companies large or small with which he is affiliated. It gives, in all but a few cases, not only the business address but residence.

By showing the extent and nature of a man's business affiliations Poor's Register of Directors helps you to estimate his standing, character or credit, and such information about each of a company's directors helps you to judge the character of its management, its chances for success, its desirability as a customer, its ability to perform on contracts, or the worth of its securities.

> This is the most important register of business men—the ONLY register of the important men of all sections, with all their affiliations—that America has ever had. It affords a cross-sectional view of the management of the nation's business affairs.

Poor's Register of Directors of the United States is not a mere directory. It is an AU-THORITY—compiled by Poor's Publishing Company, publishers of Poor's Manuals (Industrials, Public Utilities, and Railroads-Banks-Insurance Companies) and The Corporation Trust Company, corporate representative of the nation's leading business corporations. Over 2700 pages, 9x13, set in large, clear type, finely bound, price \$30. Subscription list now open. Use coupon.

The Corporation Trust Company 120 Broadway, New York. N. Y.

The Corporation Trust Company 120 Broadway, New York, N. Y.

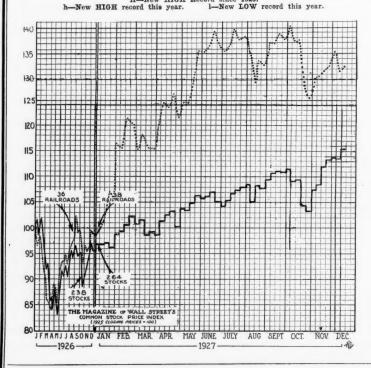
Please enter my order for Poor's Register of Directors of the United States, 1928 Edition, price \$30. Bill in your usual way. WJ-1

Name .								*		•								*		*	*	•	
Address					a		0	۰	۰		٠						٠	*					
City and	S	ta	ai	te		×								i.									

THE MAGAZINE OF WALL STREETS COMMON STOCK PRICE INDEX

(1925 Closing Prices = 100)

umber of			Indexes Issues)	Recent	Indexes	1926 Indexes (238 Issues)			
Group	Group	High	Low	Dec. 10	Dec. 17	Close	High	Tom	
	COMBINED AVERAGE		95.7	113.6	115.5H	95.7	102.0	Low 83.1	
	Railroads		98.5	131.8	132.5	98.5	162.2	84.3	
	Agricultural Equipment		63.4	100.5	103.3h	69.8	111.9	61.8	
2	Alcohol	170.5	82.1	167.1	170.5H	83.6	103.2	56.6	
12	Automobile Accessories	96.3	79.3	96.3h	95.1	81.0	104.4	78.0	
16	Automobiles	85.6	70.1	83.7	85.6h	76.4	104.0	66.7	
	Baking	93.1	63.0	92.0	90.0	82.0	108.6	69.2	
3	Business Equipment	160.2	108.5	141.5	145.8	108.5	109.3	82.2	
5	Chemicals and Dyes		107.3	134.7	138.5H	107.3	115.5	92.0	
	Construction and Bldg. Mat'l		77.9	93.1	96.4h	84.4	101.4	71.0	
	Containers		93.5	120.9	122.0H	100.1	110.8	85.7	
	Copper		105.9	163.4	172.5H	118.7	122.8	91.6	
	Dairy Products		59.8	65.8	68.2	80.0			
	Department Stores		70.4	92.3	92.5	73.7	101.0	67.6	
	Drugs and Toilet Articles		147.3	161.5	160.3	152,5	159.1	100.0	
7	Electric Apparatus	112.2	87.4	99.0	99.3	96.1	105.2	86.8	
	Foods and Beverages		72.0	83.3	83.2	76.9	101.2	72.3	
	Furniture		89.1	121.8	122.7H	91.6	121.0	80.7	
	Leather		69.8	140.9	143.7	69.8	102.4	68.0	
	Mail Order		82.8	144.5	149.9H	88.0	101.6	75.0	
	Marine		69.5	71.3	76.1	79.6	110.8	73.0	
	Meat Packing		55.1	70.2	71.5	74.4	102.6	69.6	
	Motals		81.9	102.6	105.0h	81.9	105.7	78.1	
	Miscellaneous		96.7	131.8	132.6h	100.0		ecord)	
	Paper and Publishing	200.0	150.4	205.6	206.0	150.4	187.8	75.5	
	Petroleum		86.9	92.9	95.6	95.3	102.3	85.2	
			93.1	123.5	127.9	96.3	102.0	82.4	
	Public Utilities		97.2	197.5	214.5	123.6	139.5	78.8	
	Radio			123.7	124.6	101.4	103.3	84.3	
8 1	Railroad Equipment	128.4	100.3			94.4	102.8	74.3	
	Real Estate		88.5	113.5H 103.4	100.7	115.2	118.2	98.6	
	Rocreation		96.3				114.3		
	Rubber.		64.4	96.5	97.8h	64.4	100.6	59.8	
	Steel		81.1	92.4	96.6	83.9		78.8	
4 8	Sugar	112.7	76.9	79.6	83.7	112.0	116.1	92.5	
2 8	Sulphur	381.3	166.1	374.7	381.3H	166.1	170.0	100.0	
	Telephone		104.6	124.7	125.7	104.6	105.6	97.3	
3 3	rextiles	107.5	71.9	85.8	80.5	92.5	104.6	57.7	
9 7	Tobacco	169.6	144.8	167.0	169.6H	147.8	148.3	94.5	
5 7	Fraction	142.4	119.4	121.2	119.41	127.5	136.9	94.0	



(An unweighted Index of weekly closing prices, specially designed for investors. The 1927 Index includes 264 issues, distributed among 36 leading industries; and cowers about 90% of the total transactions in all Common Stocks listed on the New York Stock Exchange. It is compensated for stock dividends, rights and assessments; and reflects all important price movements with a high degree of accuracy. Our method of making annual revisions in the list of stocks included, renders it bossible to keep the Index abreast with evolutionary changes in the market, without impairing its continuity or introducing cumulative inaccuracies.)

American Equitable Assurance Company of New York

92 WILLIAM STREET, NEW YORK

STATEMENT, SEPT. 30TH 1927

-- Isanoi --

LIABILITIES ASSETS Bonds and Stocks......\$5,151,345.25 Reserve for Unearned Premiums. \$2,268,367.51 375,604.20 Reserve for Losses..... Premiums and Miscellaneous 423,587.75 Accounts Receivable Reserve for all other Liabilities.. 161,799,22 Reinsurance Receivable 4,993.66 Reserve for Contingencies..... 750,000.00 Capital..... \$ 700,000.00 8,428.42 Surplus 1,532,166.17 199,582.02 Surplus to Policyholders..... 2,232,166.17 Cash on Deposit..... \$5,787,937.10 \$5,787,937.10

Losses paid since organization exceed \$20,000,000

INCOME TAX DEPARTMENT

(Continued from page 446)

husband and wife is rather interesting. In the first place, neither one is regarded as dependent upon the other. Therefore, the husband cannot take the \$400 allowance for supporting his wife, or vice versa. The \$3,500 exemption is supposed to cover that part. However, they can take the exemption for other persons that are their dependents.

When we spoke about the \$3,500 allowance, we said that that could be divided between them as they deem best. In the case of the exemption for dependents, however, the division cannot be made, but can be deducted only in the return of the one who is the real supporter. Thus, if it is the husband who supports the children, and he files a separate return and his wife files a separate return, only he is entitled to the exemption. Of course, if a joint return is filed, this point makes no difference.

Head of Family

In the case of the head of a family,

where the individuals being supported are dependents as previously defined, the head of the family is not only entitled to the \$3,500 allowance, but also to the exemption for dependents. For example, if a son lives with his parents and his parents are incapable of self-support, his exemption is \$3,500 for being head of the family, and \$800 for two dependents.

Last Day of Year Controlling

Suppose there is a change in the situation during the year, whereby a person who was a dependent at one time no longer is one at another, or vice versa. That situation arises very frequently. A child who becomes eighteen during the year, for instance, will furnish an example, or a child may be born in December. A parent may be-

Annual Forecast Number

The next issue is our Annual Forecast Number. For details

Page 405

come incapacitated during the year. When we spoke about the exemptions for the single man and the married man, we noticed that if a change took place during the year, the exemption was computed on a pro-rata basis. That is not the case, however, with the exemption for dependents. The rule there is that it is the situation on the last day of the year that controls. Thus, if a child becomes eighteen on December 30, no exemption at all is allowed. On the other hand, if a child is born on that date, the full exemption is permissible.

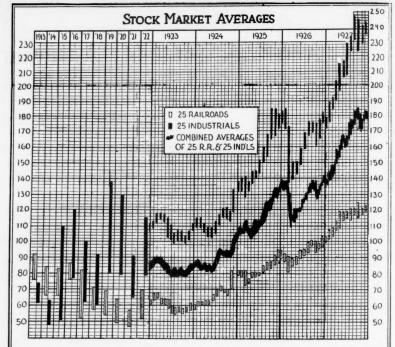
In other words, the general principles as to the allowance of an exemption for dependents can be condensed into the statement that \$400 may be taken for each dependent, and that it is the situation at the end of the year that determines whether or not a person is a dependent.

Thus far in the series we have covered who must file a return and what exemptions persons are allowed. We said that if the income is greater than the exemption, then a tax is due. We are now ready, therefore, to go into the subject of the tax rates and the method of computing the tax to find out how much is due. The next few articles will be devoted to a presentation of that subject.

An Attractive Investr

- 1-National Cash Credit Ass'n is a holding Company with 9 subsidiary companies having 34 offices in States.
- 2-N. C. C. A. Certificates of Indebtedness are a direct obligation against the entire assets of the Association.
- There are over 5,000 holders of N. C. C. A. Securities.
- 4-They are redeemable on demand at any time after one year.
- 5-Carrying interest at the rate of 8%, your investment doubles in 9 years.
- They are issued in sums of from \$25,000 down to \$25.00.
- 7-Interest can be drawn monthly which enables you to re-invest funds promptly or meet monthly expenses.
- 8-The Association has shown consistent growth and substantial increase in profits every year.

We invite you to call at our office, or, if more convenient, mail coupon asking for circular 94.



WH

NE

the

to c

tive

tali

this

tain

to c

vice

Ne

exc

gro Big

dust

rese

for

that com

vest thes

secu non

be n

ever

that vest

ima whe

ther

the expe whi

wea

and

tion age

cons

men T

for

bulk

appe

wha neri

have

mar

som

and

seen

man

0n

such

the

WOL

it s

stock listi

new

issu

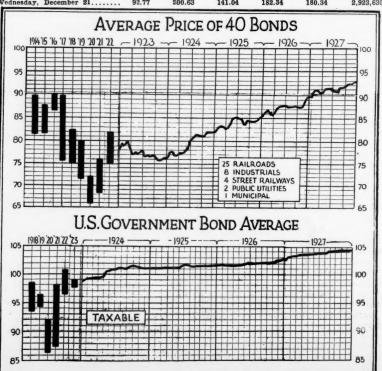
resp

DEC

T whi. refe vest

L

	N. Y. Times	_Dow. Jon	es Aves.	50 S		
	40 Bonds	20 Indus.	20 Rails	High	Low	Sales
Thursday, December 8	92.69	193.58	140.05	179.25	176.89	2,473,730
Friday, December 9	. 92.74	196.19	141.40	180.20	177.21	2,484,140
Saturday, December 10	. 92.83	196.38	140.72	180.87	179.13	1,503,290
Monday, December 12	. 92.82	197.35	140.51	181.02	179.07	2,582,540
Tuesday, December 13	92.82	198.05	141.38	181.34	179.65	2,899,440
Wednesday, December 14	92.75	196.74	140.56	181.50	179.36	2,650,460
Thursday, December 15	. 92.74	197.09	140.90	180.58	179.26	2,652,410
Friday, December 16	92.72	198.93	141.46	182.41	180.32	3,111,180
Saturday, December 17	. 92.77	199.95	141.16	182.23	181.07	1,633,680
Monday, December 19	. 92.80	200.93	140.40	182.24	180.47	2,893,120
Tuesday, December 20	92.74	200.93	141.03	182.28	180.58	2,933,672
Wednesday, December 21	92.77	200.63	141.04	182.34	180.34	2,923,630



National Cash Credit Corp.



141 Broadway New York

Name . Address Please send booklet 94

MONEY

Can be withdrawn

if needed for emergency when invested in

Demand Bonds

8% interest per annum and payable quarterly by a coupon attached to be cashed thru your bank like a check.

Our folder on request giving full information.

ORLANDO LOAN & SAVINGS COMPANY

Under Supervision of State Banking Dept. Orlando, Florida Wall Street G. H. Strickland President A. L. York Vice-Pres.

Ben O'Bannon, Secy-Treas. Established 1922

The Cudahy Packing Company

Chicago, Ills., Dec. 23, 1927 Chicago, Ilis., Dec. 22, 1927.
The Board of Directors has this day declared a regular quarterly dividend of One Dollar (\$1.00) per share on the outstanding Common Stock of Fifty Dollars (\$50.00) par value, payable January 14, 1928 to stockholders of record at the close of business January 5, 1928.

A. W. ANDERSON, Secretary.

WHAT THE INVESTOR SHOULD LOOK FOR IN APPRAISING NEW LISTINGS ON THE STOCK EXCHANGE

(Continued from page 430)

of an erstwhile closely held business, the investor should here also endeavor to discover whether past and prospective earning power are being capitalized on a reasonable basis. Where this information cannot easily be obtained by the individual, it is advisable to call upon competent counsel for advice before venturing too hastily.

Probably the greatest New difficulty in appraising Industries the merits of new stock exchange listings is encountered in that group of issues which have come to the Big Board by virtue of the rise of industries with the extension of scientific research and invention. Here again, for substantially the same purposes that have led older and established companies to look to the mass of investors for financial support, many of these new industries have brought their securities to the exchanges. Their economic habits and peculiarities cannot be measured by known yardsticks, however. Hence, it frequently happens that, in the early stages at least, investors are apt to be carried away by imagination and wander into fields where sober reflection should caution them not to venture. Therefore, until the securities of new enterprises have experienced a fair degree of seasoning, which comes from a long period of weathering in various sorts of markets and under all kinds of business conditions, it would be better for the average investor to make haste slowly in considering them as vehicles for invest-

This is especially the case at present, for it must be remembered that the bulk of new securities have made their appearance during a period of somewhat varying, but rather general, prosperity and under conditions which have been very favorable to security market speculation. In other words, some of these stocks are unseasoned and a good deal of artificiality would seem to attach to the market prices of many as a result of these conditions. On the other hand, there are others, such as a few that have been listed in the accompanying table, which are worthy of consideration. Incidentally, it should be noted that not all the stocks in this table are entirely new listings or representative of strictly new industries. A few of the older issues have been included so that the respective groups might be complete.

The reader may find it worth his while to retain these tables for future reference in regard to his proposed investments.

Anaconda Copper

Analyzed in our latest Weekly Review

Copy MW-32 on request

PRINCE & WHITELY

Established 1878

New York Stock Exchange Chicago Stock Exchange Cleveland Stock Exchange

25 BROAD STREET

NEW YORK

UPTOWN OFFICE: HOTEL ST. REGIS Chicago Cleveland Akron

New Haven Hartford

Meriden Bridgeport

Newport

.

J. S. BACHE & CO.

Established 1892

MEMBERS New York Stock Exchange, Chicago Board of Trade, New York
Cotton Exchange, and other leading exchanges

STOCKS : BONDS : GRAIN : COTTON COFFEE : SUGAR : COCOA : RUBBER FOREIGN EXCHANGE

Branches: Albany Schenectady Troy Syracuse Rochester Watertown Utica Buffalo Worcester New Haven Toledo Philadelphia Erie Ft. Worth Hillsboro Houston Atlantic City Detroit Austin Taylor Temple Kansas City Paris San Antonio

Correspondents in other principal cities

"THE BACHE REVIEW" published weekly, sent on application. Readers of the Review are invited to avail themselves of our facilities for information and advice on stocks and bonds, and their inquiries will receive our careful attention, without obligation to the correspondents. In writing, please mention The Bache Review

A Weekly Commodity Review is also issued and will be sent on application

New York Curb Market

IMPORTANT ISSUES

Quotations as of December 19

1927		Range			ice Rang	
			Recent			
	High	Low	Price	Name and Dividend High		Pric
Albert Pick Barth wi.†		10	12	Mountain Producers (2.60)† 27	223/4	263
Aluminum Co. of Amer 1		67%	124	National Fuel Gas (1) 313	-	27
Aluminum pfd. (6) 1		1011/2	1043/4	New Mex. & Arizona Land† 16	91/4	101
Amer. Cigar (8) 1	1481/4	115	1393/4	New Jersey Zinc (12) 1943/4		185
Amer. Cyanamid "B" (1.60).	431/2	25	39 %	Nipissing Mining (30c)* 103		5
Amer. Cyanamid pfd. (6)	981/2	84	98	Northern Ohio Powert 18%	9 %	17
Amer. Gas Elec. (1) †† 1	125	681/4	1201/4	Pacific Steel Boiler (1)* 143/	91/2	121
Amer. Super Power A (1.2)†	41 %	271/4	39%	Puget Sound P. & L. † 383/4	28	381
Borden Co. (6) 1	1651/4	101	163	Reo Motor (80c)† 273/	191/2	25
Celotex Co. (3)	853/4	62	62	Salt Creek Producers (21/2)†. 331/	271/4	33
Centrif. Pipe (0.60)*	18%	93/4	121/2	So'east Pwr. & Lt. (new 1)†. 46	29%	44
Cities Service New (1.2)†	5834	401/4	521/2	So'east Pwr. & Lt. Pfd. (4). 86%	671/8	86
Cities Service Pfd. (6)†	95%	871/2	94%	Stutz Motors* 213/	121/8	187
Consol, Gas of Balt. (3)	71	50%	673/4	Tobacco Products Export 43%	3	37
Consolidated Laundries (2)*	223/4	141/2	15%	Trans Lux* 83/	31/2	41
	14%	53/4	91/4	Tubize Artif. Silk† (10) 499	145	474
	821/2	661/2	821/4	Tung-Sol Lamp "A" (1.80) 243%	173/4	203
Electric Investors†		32%	45%	United Electric Coal 37	225/8	341
Fajardo Sugar (10) 1		150	162%	United Gas & Improvem't (4) 1187	89	1123
Ford Motor of Canada (15) 7		393	604	U. S. Gypsum (1.60) 1103/	821/2	86
General Baking A (5)*	803/4	521/2	761/8	G#1379.199 077 G#00	****	
General Baking B*	91/4	45%	81/8	STANDARD OIL STOO	KS	
Glen Alden Coal (10) † 1	871/2	1591/2	1691/4	Continental Oil (1) 2254	161/4	19
Gulf Oil (1,5)† 1		861/4	113	Humble Oil (1.6)† 681/4	54	681
Happiness Candy Store (50)	7	41/2	7	International Pet, (.75) 39	281/4	361
	181/2	123%	17	Ohio Oil (2.75) 677/	52	66
Hygrade Food Products		233/4	251/4	Prairie Oil & Gast 551/	45%	501
International Utilities B		3	91/2	Standard Oil of Ind. (3.5)† 811/		795
Johns-Manville, new (3)1		551/2	1241/4	Vacuum Oil (5)† 149%		1433
	36	18	27		30/8	
	271/2	201/8	23	* Listed in the regular way.		
and our accuming (wind)	/2	2078		minor an end loguist way.		

CONTINUED strength of the oil shares was the feature of the Curb market during the past fortnight, a movement that was bolstered up a good deal in the second week by a broad buying movement among the oil stocks on the Stock Exchange. The strength in Curb stocks was by no means an exclusive feature of the oil shares, however, for a number of industrial issues were notably active and strong and the utility stocks were also well bought during the period under

Lone Star Gas (2)..... 59% 371/4 541/2

Metro Chain Storett 581/2

review.

Gulf Oil of Pennsylvania, which fell off to around par on profit taking during the earlier part of the period, came back strong on a large volume of transactions and established a new high for the year. The current buying in Gulf as mentioned recently in this department is based on the belief that the long delayed stock dividend will be declared in the not distant future. In addition to the strong position occupied by the company in its industry, the availability of a 135 million dollar surplus for distribution in some form of capital readjustment lends special interest to this issue at the present time. Mountain Producers established a new high and Vacuum Oil made a number of sales at its high mark of the year. The Standard Oil group, in fact, moved upward with hardly an exception. This group represents principally the prominent refining and marketing units of the industry which are in a good deal stronger position under present conditions in the oil industry than the producing companies.

+ Admitted to unlisted trading privileges.

tt Application made for full listing.

Among the industrial issues, Borden Company made a new high at around 165, gaining about ten points during the fortnight. Fajardo Sugar ran up 8 points, in sympathy with the strength in other sugar issues. There were some weak spots throughout the industrial list, Aluminum Company selling off around 10 points following the abrupt rise in this issue a few weeks ago. Celotex sold off fractionally lower than its previous low mark for the year, a movement that reflects the slowing up in building activity, both as far as the season is concerned and possibly a general reversal in the trend of the volume in building as recorded dur-ing the past five years. This company has profited especially from the residential building, which in volume now seems to be gradually replaced by heavy engineering projects and public construction. American Cyanamid, recommended here in the last issue, established a new high for the year at fractionally above 43 but later receded a few points on profit taking sales.

ANSWERS TO INQUIRIES

(Continued from page 444)

m

ez

op

co

Sa

to

sh

pe

gr

she

wi

sha

ves

tal cas

the

lon lar

mit

120

han

fro

pro

and

flota

at

of o

01.6

per

tion

riod

atec

wer

mill

copp

men

192

tion

leac

DE

1000% and results in the current year indicate a continuation of the same forward stride. Sales for the eleven months to November 30 were 17% in excess of the volume registered in the same period of 1926. Net earnings applicable to the combined class A and class B shares were equal to \$4.15 per share in 1926 and in the first half of the current year amounted to the equivalent of \$1.77 as compared with \$1.46 in 1926. The largest volume of business is transacted in the last half of the year and it seems reasonable to anticipate earnings in excess of \$5 per share, although financing earlier this year in the form of debentures and preferred stock will in all probability result in moderately lower net earnings than would have otherwise been shown. The employment of new funds in expanding the scope of the company's operations should eventually find material reflection in the earning-power equity of the junior shares, and while not attractive for income the shares appear to have distinct merit for gradual enhancement in market value and, in our opinion, also hold forth promise to shareholders of extra dividends in cash and addi tional stock from time to time.

LOEW'S, INC.

On your recommendation I bought 30 shares of Loew's Incorporated about 18 months ago at 39. Sometime ago I could have gotten out in the middle 60's, but it afterward reacted to 54. It has shown some recovery since. but to my untrained eye the action of the stock is not satisfying. Do you think I should continue to hold! I am, of course, an investor and not a speculator and am not trying to catch market fluctuations.—D. R. T., Galveston, Texas.

Loew's is one of the stronger organizations in the motion picture and vaudeville field, being a completely integrated unit operating 115 houses in the United States and Canada, not including 8 theaters now under construction in this country. Metro-Goldwyn Pictures Corp., a wholly owned subsidiary, ranks as one of the world's leading motion picture producing companies and has built up a high reputation for the popularity and artistry of its productions. Loew's, Inc., operating 82 houses in New York City and environs, perhaps the greatest amusement center in the world, benefits considerably from favorable Sunday laws. To provide for expanding business an issue of 150,000 shares 61/2% cumulative preferred stock was recently created. Earnings have shown almost consistent yearly expansion since the company's inception, results in the year ended August 31, 1927, after providing for full year's dividends on the new preferred, being equal to about \$5.47 a common share; the foregoing giving. of course, no effect to the benefits from additional capital obtained through new financing. Financial condition is sound. and while directors have shown no willingness to increase regular dividends over the \$2 a share annual rate now prevailing, extra disbursements have been made from time to time, which may be expected to be continued, and increased when conditions seem to warrant. Market prices of the shares have kept pace with progress to date, but future growth seems sufficiently assured to justify the expectations of satisfactory returns to patient shareholders.

year

for-

leven

% in the

s ap-

and

per

lf of

\$1.46

iness

the

nticihare.

ar in

erred

lt in

than

The

ding

tions

eflec-

f the

ctive

have

ment

nion.

lders

addi

res of go at out in

to 54.

satis-

ons.-

gani-

and

y in-

es in

t in-

truc-

lwyn

sub-

orld's

com-

outa-

ry of

ating

en-

nuse-

con-

laws.

s an nula-

cre-

con-

com-

vear

iding

new

.47 a

ving.

from

new

ound.

will-

EET

S. S. KRESGE

I have been advised to buy S. S. Kresge stock, which is now selling at about \$78 a share, which makes the yield less than 2 per cent. I know this company has a good record for extra and stock dividends, and would like to know if you recommend the burchase of the stock now!—M. 41. K., Nashville, Tenn.

S. S. Kresge Co., the second largest miscellaneous chain store system, now cperating 414 stores, has a record of consistent annual expansion in both sales volume and earnings subsequent to 1917. The company is running true to form this year, profits in the first nine months being equal to \$2.44 a share against \$2.23 a share in the same period of 1926, and indicated sales aggregating 115 millions in the full year should result in a balance around \$3.75 a share, thus covering regular dividends of \$1.20 a share annually by a wide margin. At present prices the shares yield about 1.69% on funds invested. However, to provide for future expansion it is likely that directors will conserve liquid resources, and any increase in dividends will probably take the form of stock rather than Present surplus would easily permit of something around a 331/3 % stock distribution. Nevertheless, while the issue has merit for the extreme long pull, prevailing levels place a large premium on future progress, and it would be conservative to defer commitments for the present.

OHIO COPPER

Early this year I bought 500 shares of Ohio Cother at very near the low point of 40c a share. In view of improving conditions in the industry, to what extent is this company likely to benefit? What is your advice as to holding?—C. H. S., Fort Wayne, Ind.

Ohio Copper Co. property consists of 120 acres of mining ground in Bingham Canyon, Utah, about 261/2 miles from Salt Lake City, adjoining the property of Utah Copper Co. In 1917 and 1918-1919, the concentration and flotation plant of the company, located at Lark, operated on the higher grades of ore mined. However, low grades of ore, and poor recovery by flotation, due to the oxidized copper, together with high cost of supplies and declining copper prices forced suspension of operations in March, 1919. During the period in which the mine had been operated, large tonnages of low grade ore were developed (too low grade to be milled) running from 0.3% to 1.3% copper. Experimental work was started in 1922, and leaching operations commenced in January, 1923. Early in 1925, it became apparent that conditions existed which interfered with the leaching process. Copper production

has been 11,115,329 lbs. in 1924; 6,271,-556 lbs. in 1925, and 4,963,761 lbs. in 1926, at an average cost, respectively, of 5.815 cents a pound, 8.3216 cents and 8.9985 cents. Earnings in 1924 were equal to 14 cents a share, followed by 4 cents in 1925 and 1 cent in 1926. Obviously, rising prices of copper metal provides a wider margin of profit on actual production, but it is evident that reserves of recoverable copper-content ore are considerably diminished, and until something is devised to overcome difficulties met in leaching operations, the shares remain in the purely speculative category.

CHICAGO YELLOW CAB

What is the outlook for Chicago Yellow Cabl I bought 25 shares in 1925 at 47, and the stock has been considerably of a disappointment to me for with the great increase in the use of this company's cabs. I have expected that the stock would show a substantial increase in market value.—J. Y. E., Kansas City, Mo.

The Chicago Yellow Cab Co. operates a fleet of about 3,000 taxi cabs in Chicago and also controls the Hertz Drivurself Stations, Inc., an organization engaged in the renting of automobiles, having offices in various large population centers. In spite of the fact that the company is engaged in a rather hazardous business, and one which is characterized by keen competition, earnings over a period of recent years have been fairly satisfactory. In the first six months of the current year, the company reported the equivalent of \$2.81 per share earned on the common stock and for the nine months to September 30, showed net earnings equal to \$3.94 per share of common stock, as compared with \$3.97 in the corresponding period of 1926. Dividends appear reasonably safe, and while the margin of safety as well as the financial position of the company could be improved, the shares at current levels are selling to yield nearly 10% and offer some attraction by reason of the liberal return received. However, they cannot be viewed from other than a speculative angle, and such merit as it is possible to concede them seems primarily of a long range calibre. Material enhancement in the value of the shares above prevailing quotations does not appear an imminent possibility based on visible prospects at this time.

$INTERNATIONAL\ AGRICUL-\\TURAL$

To what extent do you believe the current improvement in the acricultural situation is likely to helb International Agricultural Corboration. I bought 100 shares of this steek in 1924 at \$6 a share and have held it right through to the present time. Do you think this combany it likely to re-establish itself on a sound basis and resume dividends?—E. E. R., St. Louis, Mo.

The past fiscal year which witnessed keen competition and demoralized prices following in the wake of a low-priced cotton crop and unseasonable weather conditions, was a lean one for the fertilizer industry. International Agricultural Corp. after showing a profit of \$1,406,000 in the 1926 period, reported a loss of \$352,315. As a consequence dividends were passed on the preferred

Safety High Carning Power Availability

Availability is a most desirable feature of a local bank account. So is Safety, Greater earning power for money is the attraction in FIRST MORTGAGES, Admittedly, the most desirable of First Mortgages are those secured by residential property occupied by the owner.

7% Certificates

You can purchase NTBLA 7% "Full Paid" Certificates or 7% "Prepaid" Certificates as easily as making a local bank deposit. The U.S. Mails bring us "right around the corner" from you, Earnings computed from the day received.

Withdrawals are made with equal facility. Our 30-day notice rule has never yet been invoked.

Know more about these investments carrying FIRST MORTGAGE SAFETY. Direct First Mortgage earning power and that "just-around-the-corner" convenience and availability.

WRITE FOR BOOKLET M-10 "PROFIT WITH PRUDENCE"

NORTH TEXAS BUILDING& LOAN ASSOCIATION

Wichita Falls, Texas

Marginal Trading

We have published a Booklet containing a concise treatise and setting forth several general rules on this subject. It also briefly discusses:

Advantage of Odd Lot Buying Common Stocks Versus Bonds

Data helpful to investors is also given.

Copy free on request

M. C. Bouvier & Co.

Members New York Stock Exchange
20 Broad St. New York

Specializing

in investment securities of public service companies supplying electricity, gas and transportation in 23 states. Write for list.

UTILITY SECURITIES COMPANY

230 So. La Salle St., CHICAGO

New York St. Louis Milwaukee Louisville Indianapolis Minneapolis



Q 6% savings accounts accepted by mail in any One of the amount. strongest building and loan associations in U.S. Guaranty accounts are legal for banks, trust companies, guardians, etc. Secured by first mortgages on homes. A state-supervised savings institution. Write for booklets.

uarantv/ AND LOAN / SSOCIATION 6335 Hollywood Blvd. LOS ANGELES

We offer

SHELL PIPE LINE CORP.

5% Sinking Fund Gold Bonds Due 1952 Price at Market To Yield About 5.12%

Circular on Request

MCDONNELL & CO.

120 BROADWAY **NEW YORK** Members New York Stock Exchange

SAN FRANCISCO

San Francisco Stock and **Bond Exchange**

HIS table is published regularly for the convenience of those of our subscribers and readers who are, or may be, interested in leading Pacific Coast securities.

Bank and Public Utility Stocks

		199	27	Last Sale
	Div. Rate	High	Low	Dec. 22
Anglo & London Paris Nat. Bank	\$10.00	240	195	2291/2
Bancitaly Corporation	2.24	146	891/4	1361/8
Bank of Italy, new	5.24	249%	171	244%
East Bay Water A, Pfd	6.00	99	951/8	971/2
Federal Brandes		28	9%	251/2
Great Western Power Pfd	7.00	105%	98%	1041/2
Key System Prior Pfd		65	97/8	97/8
Los Angeles Gas Pfd	6.00	104%	98%	1031/2
Pacific Telephone & Tel. Pfd	6.00	116	102	114
Pacific Gas & Elec	2.00	48%	311/4	481/6

Industrials and Miscellaneous

Alaska Packers' Assn	8.00	185	160	160
California Packing	4.00	791/8	61	77%
California Petroleum	1.00	33	19	231/4
Caterpillar Tractor, new	1.40	56%	26%	56%
Foster & Kleiser (cm)	1.00	15	12	14
Hale Brothers	2.00	361/4	30	31
Hawaiian Coml. Sugar	3.00	531/2	48	511/2
Hawaiian Pineapple	1.80	56	421/2	45
Home Fire & Marine	1.60	421/4	281/2	42
Honolulu Cons. Oil	2.00	421/4	33%	361/2
Hunt Brothers Packing "A"	2.00	261/4	22	24
Illinois Pacific Glass "A"	2.00	481/2	311/2	461/4
North American Oil	3.60	48	283/4	371/4
Paraffine Common	6.00	84	533/4	83
Richfield Cons. Oil	1.00	281/2	14%	26%
Schlesinger A Common	1.50	23%	20	22%
Shell Union Oil	1.40	31 1/8	24%	25%
Southern Pacific	6.00	125	1061/2	124
Sperry Flour Common		661/2	44	651/4
Spring Valley Water	6.00	110	1011/4	108
Standard Oil of Calif	2.50	60%	50%	55%
Union Oil Associates	1.99	561/8	3734	431/8
Union Oil of California	2.00	561/4	391/2	441/2
Union Sugar Common	1.00	19	9	13
Yellow & Checker Cab "A"	.80	91/2	73/4	81/9
Zellerbach Corporation	2.00	44	28	431/2
				20 /2

shares, and accumulated back dividends as of December 1 totalled 191/4%. While it is yet too early to make any prediction as to possible results for the current fiscal year, several factors contribute to place the outlook in a more promising light. The company in question transacts the major portion of its business in the Southern tobacco and cotton regions, and should, therefore, stand to benefit as a result of the enhanced buying power of Southern planters. Diversified crops and higher cotton prices during the past year should place planters in a position to increase their fertilizer commitments this year, and with a broader demand and higher prices, competition among fertilizer companies is likely to be nearer normal and less disastrous. International Agricultural is comfortably situated financially, having cash alone more than four times current liabilities, inventories were not excessive and the company had no bank loans. Thus, with out-

look more constructive than otherwise, retention seems warranted pending developments, although dividends on the junior shares must await the liquidation of accumulations and resumption of dividend payments on the preferred stock.

de

cor

fac

basi seve swit adve the rent the

Pro

ual bee

pas

era

cru

ren

also

nies

crue

sive

repo

mon

\$1,7

in t

inco

\$2.2

depr

sult

The

tion

of a

tion

exis

mate

pull

DEC

MONTGOMERY WARD

I am again asking you for advice regarding Montgemery Ward. My shares cost me \$71 about a vear ago, and I am asking your obtains because you have twice cautioned me against selling other stocks that subsequently advanced. As a result, I have obtained a much larger profit than I would have had otherwise. Do you think the present price of Montgomery Ward approximates the best that can be expected of it for the next several months?—R. J. M., Louisville, Ky.

Gross sales reported by Montgomery Ward & Co. for the current year to the close of November were \$1,504,450 ahead of results in the first eleven months of 1926, and it now seems quite probable the company will better 1926 sales, a fact, however, which was

not as clearly evident in the earlier months of the current year when gross business for the five months to May 31 was nearly 4% behind 1926. The management has been endeavoring to widen profit margins and it is expected that a 5½% margin shown in 1926 will be nearer the 71/2 % record established in 1926. Retail display stores, of which about thirty are in operation, have been an important factor in expanding sales and earnings, and additional units have been planned which should materially aid in placing the company's products before prospective customers. This is a new departure from the usual mailorder procedure and enables the company to cope with the growing tendency, particularly in agricultural sections, on the part of many people to make purchases in nearby population centers, being enabled to do so by the ever widening use of the automobile. Minus the burden of non-recurrent expenses and heavy inventory losses on automobile tires which had the effect of materially reducing earnings in 1926, the company bids fair to earn the equivalent of approximately \$10 per share on the class B stock this year. Weight is therefore given to the possibility of an increase in present dividends or an extra disbursement. The company, ranking second in its field, faces a promising future, and earnings in 1928 should reflect the present agricultural prosperity, but for the present the shares appear to discount nearby prospects.

TEXAS PACIFIC COAL & OIL

I bought 100 shares of Texas Pacific Coal & Oil shortly before the stock went on a dividend basis. I paid 14½ for my stock and I have had several obportunities to take a small broth and witch into something more attractive, but the advances fatten out so aukchly. I have carried the stock down to 12 and back to around its current levels, and I would like your advice as to the company's prospects.—E, J. B., Oxford, Tenn.

The Texas Pacific Coal & Oil Co., in its present form, is to be regarded as primarily an oil producing enterprise. Production of oil which had been gradually tapering off prior to 1924 has been materially increased during the past several years, and at this time average daily production is understood to be from 10,000 to 11,000 barrels of crude. Earnings, however, in the current year have suffered a decline as is also true of the majority of oil companies, in reflection of substantially lower crude prices resulting from the excessive production of oil. Operating profit reported by the company for the nine months to September 30 amounted to \$1,719,650 as contrasted with \$2,609,550 in the first three quarters of 1926. Net income for the period was equal to \$2.20 per share of capital stock, before depreciation and depletion, whereas results in 1926 equalled \$3.52 per share. The company plans to expand operations in Montana, and with the backing of a sound and liquid financial position, seems likely to cope with the existing situation without receiving a material set-back. The shares, while having speculative merit for the long pull seem unattractive at this time and



Not too late to join Our 1928 Christmas Club

7,000 HAVE JOINED ALREADY

Interest paid on these accounts from December first at the rate of 3% if opened before February first.

A QUARTERLY DIVIDEND

at the rate of 4% per annum has been declared on regular accounts payable after January 15th, 1928.

INTEREST FROM DATE OF DEPOSIT





Office Appliance and Equipment Service Department

Because of the tremendous amount of correspondence we handle in connection with our Inquiry Department as well as on account of the attendant minute bookkeeping and accounting problems, we had to equip our offices with practically all the outstanding time saving and efficiency increasing devices on the market. As a matter of fact, we are replacing continuously these devices by improved ones as they are being put on the market. We want to give our readers the benefit of our experience and tests covering twenty years and will be glad to answer any requests for information as to how we have conquered the problems that of necessity have arisen in an organization as large as ours. In addition to such information we will arrange to have our readers supplied with literature dealing with the solution of their particular case.

There is no charge or obligation connected with this service, but we shall be glad to have you check the information desired on the coupon below and, ATTACHED TO YOUR BUSINESS LETTERHEAD, mail to O. A. & E. S. Department c/o The Magazine of Wall Street, 42 Broadway, New York City.

TEAR HERE

- Adding Machines.
- Calculating Machines. Billing Machines.
- Bookkeeping Machines.
- Addressing Machines.
- Autographic Registers.
- □Check Protection Devices & Systems.
- □Dictating & Transcribing Machines.
 □Duplicating Machines & Systems.
- □Loose Leaf Binders, Equipment & Systems.
- □Visible Indexes.
- Accounting & Tabulating Machines.
- Time Recording Devices.
- Continuous Forms for Multiple Copies of Checks, Confirmations, Bills, Orders, etc.
- □Loud Speaking Interior Telephone Systems (Dictograph)
- Typewriters.

- □Analysis of Record Keeping Problems.
- ☐Telegraphic Typewriters
- ☐Typewriter Copy Holders.
- Office Furniture
- □Filing Equipment.
- Scales.
- Fire Resisting Safes.
- □Automatic Segregating & Filing Devices.
- Devices.

 Mailing Room Equipment Stamp Affixers. Envelope Sealers, Mechanical Letters Opener, Postal Permit Mailing Machines, Sealing Wax Machines.

 Stencil Cutting Machines.

 Sectional & Movable Office Partitions.

 Papers for Office Use.

 Numbering & Dating Machines.

 Cash Registers.

 Telephone Devices—Mufflers, Hearing Devices.

 December 31, 1927

December 31, 1927

vise,

de-

the ida-

tion

rred

G :n3

for ville.

nery

the

,150

even

ems etter

was

THE

Factors of safety in Electric Power Bonds

The electric light and power company bonds which we recommend are sound because the companies show marked stability of earnings; they enjoy steady growth; their rates (fixed by law) are reasonable; their sales are for cash; inventories are small and the companies operate in their respective communities without competition.

You will profit by reading our free booklet, "Public Utility Securities as Investments." Gladly sent upon request.

Ask for AT-2453

A.C.ALLYN AND COMPANY

INCORPORATED

67 West Monroe Street, Chicago

New York

Philadelphia San Francisco

Milwaukee Minneapolis

Small Monthly Payments

WILL MAKE YOU A BOND OWNER

Money invested in good Bonds is money working to the best possible advantage. Everyone should own one or more bonds and receive a share of the profits that now go only to a limited few. Our monthly payment plan makes it easy. Start COUPON CLIPPING by clipping and mailing the coupon below!

Debenture 8% Bonds

\$100

\$500

\$1000

Participating

in the net profits up to 4% additional

Reasons Why:

Bondholders of record December 31st, 1927, receive 2% profit-sharing from past six months' operations. This is in addition to regular coupon interest.

Circular No. 6 on request

W. A. Becker & Co.

140 Nassau Street New York City

Name	•									•						
Address																

enhancement in market value above prevailing levels will, in all probability, await the correction of present unfavorable conditions in the oil industry.

OUTLOOK FOR LEADING SUGAR PRODUCERS

(Continued from page 435)

ing the results of a very bad start. As it is, the company merely has been able to hold its own through making small reductions in funded debt and keeping bank loans in bounds. Only once since 1921, and then in an exceptionally good sugar year, has the company's preferred stock been a serious dividend candidate. The average net applicable to the preferred stock for the past ten years has been less than \$4.00 a share.

Like Punta, Cuba Cane has the advantage of comparatively young cane fields; but it lacks a conservative capital structure and a good record. Under present conditions, the earning power of the common stock is nil and the earning power of the preferred stock is negligible. The preferred is much further removed from dividends than Punta common, and the probability that the back dividend accumulation on it will be liquidated in cash is not large, even assuming an unexpectedly quick improvement in sugar trade conditions. The 7% and 8% debentures, maturing in 1930, are speculative as the high yield offered by present prices indicates; but the property equities back of them probably is adequate to provide a fair base for refunding - provided sugar market conditions at the time are as good or better than now prevailing. All in all, the company's securities are not attractive, especially the stocks.

SOUTH PORTO RICO
SUGAR COMPANY

BEFORE
taking up
another Cuban

company, let us turn to South Porto Rico Sugar Company, the common stock of which has been one of the sensations of the bull market. company has a duty advantage of 1.76 cents over the Cuban producers in selling that part of its production which comes from Porto Rico in the United States, and this duty advantage is the foundation of its great pros-Net earnings in the fiscal peperity. riod ended September 30, 1927, were \$4.01 a share on the 745,735 shares of common stock of no par value which pay regular quarterly dividends at the annual rate of \$2.00 a share after dividend requirements on the 50,000 shares of \$8 cumulative non-callable preferred stock and all other deductions. During the past year the company has been able to arrange for the future retirement of its funded debt, pay a 10% stock dividend, increase the cash dividend rate on the common, offer additional common stock to holders in such a manner as to give them valuable subscription rights and split up its common shares four for one.

In the year ended in September, 1927, South Porto Rico, in spite of a crop reducing drought, turned out a record output of 207,000 short tons at a profit of about % of one cent a pound. It is impossible to figure just what it gained from the tariff protection of 1.76 cents a pound for part of its output comes from Santo Domingo and has to pay full duty, or more than even the Cuban sugars; but it would seem a reasonable statement to say that had it not been for the tariff differential the company probably would not have earned anything at all for the common stock. If only half of last year's output came from Porto Rico, the tariff advantage last year was worth \$3,500,000, or almost \$5 a share on the common.

C T

n d

co pad

in ha

ve

ye

in

87

de

110

fa

th

CO

the

no

the

ing

CO

nie

bo:

to

ag

DE

South Porto Rico expects to produce more sugar in 1928 than in 1927, and may be able to reduce costs a little. It ended the year with \$6,425,000 in cash and cash equivalents against only \$772,049 current liabilities and \$3,581,500 in bonds. Unless some unforeseen complication arises, extra dividends probably will supplement the regular distributions throughout the coming year.

The common stock at around 36, ignoring a 10% stock dividend and valuable rights which have accrued, could have been bought in the form of old \$100 par value stock as low as the equivalent of 23 in 1926 and was obtainable at 151/2 in 1925. In spite of this big appreciation, it offers a fairly generous yield (assuming extra dividends) and is selling for only about nine times 1927 per share earnings. Of course it is speculative, and an investment in it is based on the present tariff policy of the United States government rather than on fundamental conomic considerations.

THE GREAT WESTERN SUGAR COMPANY

THE Great
Western
Sugar Company
in the crop sea-

son just ended is understood to have produced over a billion pounds refined sugar from beets in the United States. It is the largest and probably the lowest cost producer of beet sugar in this country and is the principal beneficiary of a duty of 1.76 cents a pound against Cuban raw sugar and of an even larger duty against sugar coming from other foreign countries. Naturally, stockholders have reason to expect the corporation to be prosperous.

Although the common stock has been split up twice in the past five years, once four for one and once three for one, there are but 1,800,000 no par value shares issued in addition to the 150,000 shares of \$7 cumulative preferred. Thus preferred dividend charges are about one-tenth of a cent a ton on the basis of last year's output,

and in 1927 output was about 555 pounds per common share issued. Assuming one pound of refined beet sugar equal to one and a quarter pounds of Cuban raw sugar, the tariff protection granted by the government to Great Western sugar is about 21 million dollars a year, a sum equal to more than \$11 a share on the common stock after allowing for preferred dividends.

addi-

such

sub-

1927.

crop

ecord

rofit

It is

ained

cents

omes

uban

nable

been

pany

any-

. If

came

tage

r al-

duce

and It

cash

only

581,-

eseen

ends

gular ming

, ig-

valu-

could

old

the

ob-

e of

airly

divi-

bout

ings.

n in-

esent

gov-

ental

eat

pany

sea-

have fined

ates.

low-

this

inst

rger

ther

ock-

cor-

been

ears,

for

par

the

pre-

cent

put,

EET

Actually the company earned but \$1.29 a share on the present common capitalization in the year ended February 28, 1927, on a production of 933 million pounds; and unless there is a decided improvement in the refined market during the latter part of December, January and February, net profits for the year to end February 29, 1928, will be less than the current dividend requirement of \$2.80 a share on the common. Evidently, Great Western Sugar's earning power is entirely dependent on the tariff. Without a high protective tariff the company could not compete with Cuba and the other cane growing countries.

Great Western entered its new fiscal period last March with large inventories which it was able to liquidate on an advancing market, but recently severe competition from cane sugar refining companies in a part of its territory has resulted in a serious impairment of the margin of profit. The company, however, is in excellent financial position. Its cash balance is large and its physical properties are in splendid condition. There is no reason to feel that the dividend is in immediate danger.

The preferred stock is a high grade risk for a business man, but the company's earning power is too dependent on the tariff to make the issue of investment quality. The common currently is selling near its low for the year, offering a return of 7.7% on the investment, and appears to be a good speculation on the theory that the dividend in all probability will be continued and that some time during the next year the sugar situation will be more favorable to the company than at present.

THE CUBAN-AMERICAN SUGAR COMPANY

THE annual report of Cuban - American Sugar

Company for the year ended September 30, 1927, will be made public about the time this article appears in print. Probably the company's showing will compare favorably with last year, for the Cuban government restrictions do not appear to have been as severe in the case of this organization, controlling older cane fields than some of its competitors, as in the case of companies like Punta and Cuban Cane. The dividend of \$1.00 a share on the 1,000,-000 shares of common (\$7,893,800 of 7% preferred and \$8,850,000 of 8% bonds senior to it), on the other hand, probably will not be earned by a very wide margin, for production costs seem to be a little higher than a few years ago and the profits of the refining properties unquestionably have felt the

Securities Carried on Conservative

Margin

Weekly Stock Letter

—pointing out economic conditions that may have a vital bearing upon the course of security prices.

Sent gratis on request for M.W.4

Out-of-Town Accounts

A special department of our organization is completely equipped to give a prompt and effective service to out-of-town clients.

We invite correspondence

Josephthal & Co.

Members New York Stock Exchange

120 Broadway

New York

Telephone Rector 5000

International Securities Corporation of America

Second International Securities Corporation

For information about these general investment trusts address AMERICAN FOUNDERS TRUST (A Massachusetts Trust), 50 Pine Street, New York

Puts - Calls - Spreads

Guaranteed by Members of the New York Stock Exchange

May be utilized as insurance to protect margin accounts; to supplement margin; and in place of stop orders.

Profit possibilities and other important features are described in Circular W. Sent free on request.

Quotations furnished on all listed securities

S. H. WILCOX & CO.

Established 1917

Incorporated

66 Broadway

New York

Telephone Hanover 8350

DECEMBER 31, 1927

same influences which have cut down the net of American Sugar Refining.

It was well established on the island to take advantage of the favorable sugar markets of 1920, 1923 and 1924 and paid liberal dividends, gaining the reputation of being the soundest of all the large Cuban producers; but there is reason to suppose that the cane producing properties now leave something to be desired—especially in comparison with the new properties of companies like American Sugar, Punta Alegre, Guantanamo and Cuba Cane. Figures concerning comparative production costs would be most interesting, but, unfortunately, are not available.

Cuban-American has the advantage, however, of a moderate capital structure. The company's total mortgage debt is only a little over 9 million and preferred dividend requirements are but \$552,666 a year. In 1926 refined output was 294 pounds per common share and raw production 615 pounds per unit of common capital. Not a very large margin of profit is needed to return earnings of the junior capital obligation.

The company's 8% bonds, due in 1931, are a sound investment; and a set of conditions which would put the preferred dividend in serious jeopardy does not appear to be in prospect. The common dividend is not any too well protected, and the common stock perhaps would not rise as rapidly in a favorable market for sugar shares as an issue like Punta.

CHILDS CO.

(Continued from page 433)

\$2.02 on the common. Unless there is considerable improvement in the final quarter, the company will not do much more than cover its cash dividend requirements.

There are factors to consider in connection with the earnings situation. It is not easy to appraise the true earning power of an enterprise of this type, which is undergoing continual expansion financed in large part out of current income. If net income were to be taken at face value, its trend during the last decade would appear rather unprepossessing. With the exception of 1920 and 1924 it has remained within a range between 1.5 million and 1.7 million, although volume of sales, in the meantime has increased well over 50%. It might be supposed from this that the company was receiving no benefits from expansion, until account is taken of substantial gains in real estate holdings, in annual charges for depreciation, and in miscellaneous reserves of various kinds.

As of June 30 last, real estate was carried on the books at 10.6 millions as against 8.8 millions a year and a half earlier. Outstanding mortgages in the meantime increased from 3.4 millions to 4.4 millions. Comparisons with earlier years cannot be made as

real estate was formerly included in property account, but when it is considered that aggregate property account less depreciation at the close of 1923 was only 10.8 millions inclusive of real estate, it is evident that increase in real estate values has run into the millions even on the basis of book value which is not at all representative of actual market Growth in assets cannot be fully accounted for by capital increases and surplus earnings over dividend requirements, hence, the assumption is not unreasonable that a liberal use has been made of income for items which could be legitimately charged to capital.

Nineteen twenty-seven has been an admittedly poor year and cannot be taken as a criterion for the future as far as the restaurant business is concerned. Unseasonable weather during the late spring and summer has had a depressing effect upon business, particularly at the resorts, where the burden of expenses without compensating revenues has been a conspicuous factor in reducing the margin of profit. With normal sales from this quarter, gross earnings no doubt would have shown even greater gains in line with expansion in the number of operating units, and net earnings would not have shown the same reactionary tendency. other words, Childs is facing conditions, wherein any change should be for the better, and which are by no means representative of the average to be expected over a period of years.

Outlook

Common stock capitalization is subject to frequent change owing to the quarterly distributions of stock dividends. Allowing for the year-end payment, the number of shares outstanding will be close to 360,000. obligations consist of funded debt of approximately 7.8 millions divided between short term notes and real estate mortgages, and 50,000 shares of 7% cumulative preferred. The preferred habitually sells on a low yield basis and possesses real investment merit. Public interest in the affairs of the company is largely in the common stock, the only one of the securities with a New York Stock Exchange listing, although, as already noted, even the common has yet to be the recipient of any great amount of public interest, and its action suggests an entirely natural market uninfluenced by manipulative tactics. The stock has moved within a range of 17 points during 1927. It underwent a decline of considerable proportions upon announcement of the poor earnings for the third quarter, and at this writing little or no recovery has taken place. At current levels around 53 it is within five points of its low for the year.

Under these conditions the shares at present appear well adapted to the purposes of the investment purchaser who is not concerned with transitory movements and who is in a position to look ahead two or three years. In the event of unfavorable action on continuing the

stock dividend, a further reactionary tendency may be witnessed, which would provide an even better opportunity, as stock payments of this character, after all, have little real significance, and their absence would in no way detract from the prospects of this conservatively managed and expanding chain system wherein real estate developments play so important a role.

THE END OF AGRICULTURAL DEFLATION

(Continued from page 411)

portation and middle trading that always goes with large volume of agricultural production.

The rush of the spring wheat farmers to cash in on their bumper crops of high grade grain before prices receded gave the northwestern railways a wellhandled peaked hump of traffic in August and September, resulting in tremendous railway activity. The movement of surplus wheat down the The Great Lakes from Duluth was extraordinarily heavy. For the first forty-eight weeks of the year, the railways of the northwestern district of the American Railway Association moved a total of 6,804,961 cars, as compared with 6,975,502 for the like period of 1926, but the cars received from connections, which figure is a measure of buying and consumption was 2,744,919, the record for five years. As further showing increased consumption in the northwest, it is significant that the miscellaneous products loaded in that section during the first 48 weeks of 1927 also scored the five-year record, as did also less-than-car-loadlot shipment. Grain shipments were 599,592 cars, being 89,000 cars larger than in 1926.

The farmers are again buying land in North Dakota and Montana. The first three months of the crop year saw \$220,000,000 pour into the hands of the farmers of the middle northwestern states. The big spring wheat crop has favored flour-milling. Bank deposits are rising, the farmers are again making productive loans on a large scale, sales of agricultural implements are increasing, retail trade is better, agricultural exports are heavy.

Finally, there is the supremely important fact that the price level of agricultural commodities begins to approximate that of the commodities for which they are exchanged. Congress has not yet enacted an agricultural equalization measure but economic adjustments are working toward equalization. The purchasing power of farm products is now 92, taking the five-year pre-war average as 100. This is a gain of 35 points compared with the depth of the depression in 1921. Purchasing power is, of course, the true measure of the value of production.

The gains of this year, both in ac-

N YOUR SAVINGS

mary

vhich

opor-

charsig-

d in

ts 0)

en:-

real

tan

RAI

gri-

rm-

s of

eded

vell-

in

in

The

the

ex-

irst

ail-

of

tion

as

like

ved

8

coi

ars

np-

ant

led

48

ear

ad-

ere

ger

nd

he

ar

of

rn

as

its

k-

le.

n-

ri-

n

p-

or

al

d.

m

is

Savings Shares earn 5% and allow payments and withdrawals at any time. Money doubles in 14 years, Regular shares earn 6% and pro-vide a systematic savings plan. —Supervised by State Banking Department Department.

Write for Booklet "M"

RAILROAD BUILDING **B** LOAN ASSOCIATION

441 Lexington Ave., New York N. Y.

7% and 8% EARNINGS Resources \$4,500,000.00 Ask for

"Plain Facts of B. & L."

These facts are covered by three interesting booklets which tell how one may invest \$5.00 Monthly or \$10,000.00 lump sum and receive high security and return. They are yours for the asking.

Address

J. Whitney Worrick, Sales Agent SAN ANTONIO BLDG. & LOAN ASS'N

Box 749-San Antonio, Tex. Please mention this publication.

7% CERTIFICATES **FULL PAID** Dividends Payable July 1st and

January 1st

Instalment and Prepaid Certificates
Are participating and are earning
9%.
Under State Supervision, and required by law to invest all funds
in First Mortgage Notes on improved real estate.
Located at El Paso, Texas, where
real estate values are not inflated.

People's Building & Loan Association Authorized Capital \$15,000,000 205 No. Oregon El Paso, Texas

FOR JANUARY RE-INVESTMENTS purchase our Full Paid Shares. 8% payable quarterly in New York Exchange, if desired. Conservative management, State supervision and complete tax exemption features.



TWO HUNDRED THOUSAND **DOLLARS IN DIVIDENDS**

were paid to our investors July 1, 1927. At that time, our Seventeenth Semi-annual Report was published and distributed to all investors, borrowers and friends.

If interested in a safe, sure, conservative investment, send us your name and address.

Ponca			•					_										
Name																		
Street																		
City	 																	

tual money realizations and in purchasing power, have a significance beyond their present implications. The farmers are not yet heavy spenders. They accumulating reserves, paying debts, improving their plants, operating economically, making their occupations as self-contained as possible. All of this will blossom into liberal consumption of purchased goods during 1928 and following years, and a sustained buying power that will not be greatly impaired from year to year by current crop vagaries. As the farmers come into their own again, there may not be so much excessive prosperity for the industries and trades that have added to their share in recent years at the expense of agriculture, but it will be a better based and more equitable prosperity-a prosperity that will be generally diffused and that will not tend to destroy itself by its lack of national balance.

TRADE TENDENCIES

(Continued from page 442)

the future. Steel companies will report smaller earnings for 1927 as a result of poor marketing conditions and not because of declining output.

Unfilled orders of the Steel Corporation as of November 30, gained 113,404 tons. The total bookings-3,454,444 tons is the largest reported since May and represents a gain of approximately 400,000 tons from that month which was the low point of the year. While this is a good showing, it must be remembered that decreased production and shipments in all probability accounted for a good deal of the improvement as well as the increased rate of incoming orders.

As the new year opens, a number of industries which consume large quantities of steel in the making of their products will be in a position to speed up operations, Chief among these is the automobile industry. Here, of course, Ford's return to mass production is an important factor. Implement makers will benefit from the improving situation in agricultural regions, which will in turn be reflected in larger steel demand. Structural steel orders are in good volume. The present rate of building activity is very favorable, in view of the season, and no marked falling off in operations is Not much can be expected likely. from the oil industry in the first quarter, although later developments, may necessitate a good-sized buying movement. Railroad commitments involving steel for equipment purposes are appearing in substantial lots. Rail buying continues heavy, and inquiries for structural steel to be used in railroad bridge construction have been numerous. Freight car buying is of better proportions, with prospects that the first quarter will witness more specifications.

Pig iron sales have not shown any



Buy Permanent Income

Your investment in a large incomeproducing building under The French Plan gives you a safeguarded investment—plus 6%—plus ten payments of 10%, the repayment of every dollar of your original investment—plus 50% of all profits distributed from the operation of the property, thereafter!

It enables you to make a temporary investment that gives permanent income.

This is but one of the remarkable advantages afforded by

Thousands of discriminating New Yorkers have already invested millions of dollars in large income-producing properties under this Plan and are now sharing in the profits being distributed from their opera-

If you are not already familiar with this unusually profitable and convenient form of investment the Special Coupon—below—will bring your copy of the 64-page book "The Real Estate Investment of the Future."

You will doubtless find it the most interesting—and the most profitable—half hour's reading you have done in months. Tear out the Coupon—now—and

mail it TODAY!

_	-11
	MW-27
	FRED F. FRENCH INVESTING COMPANY, Inc.,
	350 Madison Ave., New York City.
	Please send me without obligation the 64-page book "The Real Estate Investment of the Future."
	Name
	Business Address
	Home Address

City..... State...

marked change. Inquiries are not as active as the preceding fortnight, indicating that consumers will wait until after the holidays before filling first quarter requirements. Prices are steady with prospect of advancement.

CHEMICALS

Outlook Continues Favorable

For most industrial chemical companies, particularly those which occupy a leading position in the industry, 1927 was a year of remarkable activity. In spite of the fact that consuming outlets during the Fall months showed a tendtoward quieter participation, manufacturers have been able to hold operations at a fairly high level. This was due chiefly to the method of procuring business, a major part of which was accounted for on a contract basis. As a result of an improved price structure, profit margins have been generally favorable, and the closing year was undoubtedly the most successful one the industry has seen in some time. This showing is decidedly satisfactory in view of the keen competition not only among manufacturers in this country but also from European producers. It may well be, however, that contract prices for 1928 will more closely reflect this situation in some lower revisions. On the other hand, chemi-cals enter so wide a variety of industries that the generally favorable outlook for business in 1928 naturally holds promise of very substantial sales volume. In the long run prospects of larger volume are believed good enough to offset price declines.

Carbon black and industrial alcohol are two divisions in which considerable betterment may be anticipated. Carbon black companies, due to the flood in the Mississippi Valley, were obliged to cut production, and earnings suffered a sharp decline. Spot prices, however, enjoyed an advance and the nearby outlook is for an improved situation, as the rubber industry is likely to continue a

large consumer.

Unfavorable marketing conditions in the first half of 1927 will find reflec-tion in the earnings of alcohol companies. But this branch of the chemical industry is in a much better position than it has been for the past two years. The chief trouble has been that of overproduction, resulting in excessive stocks and declining prices. Owing to high raw material costs and the apathetic attitude of the trade in general in 1927, output has been considerably curtailed and stocks brought down to a corresponding level. Alcohol companies consequently should benefit materially from the improved statistical position, advancing prices, and cheaper raw materials.

The two important sulphur producing companies are still further increasing their output. Prices have been strong throughout the year; as a result, these companies have enjoyed an exceed-

ingly prosperous year. The future seems equally bright, since production costs are well under the existing level of quotations. A further advance in contracting prices for 1928 is a strong probability and there is no indication that consumption will show a diminishing tendency. Both companies have added considerably to their already ample potential supplies.

Fertilizer companies should find conditions more to their liking in the 1928 selling season which begins in Febru-The fiscal year closing June 30, 1927, was the most depressing one fertilizer companies have encountered since 1920, although the intervening years have not been much better. Poor agricultural conditions and low commodity prices were chiefly responsible for this situation. Cotton growers have stood the brunt of this slump and prices of the staple did not approach a level which might justify producers in making full specifications. Recovery in the South, however, has greatly altered the picture. The price of cotton is almost 8 cents above what it was last year and growers should have no difficulty in raising sufficient money to cover fertilizer needs.

Competition continues keen among manufacturers and prices of fertilizer materials have not undergone any marked changes. But better selling conditions and lower raw material costs suggest a stronger and rising market in the near future.

Important Dividend Announcements

Note—To obtain a dividend directly from the company the stockholder must have his stock transferred to his name before the date of the closing of the company's books.

con	npany's books.			
Ann			Stock Record	
Rat	-			
	Air Reduction\$1.25		12-31	1.15
	Am. Steel Fdy. cm\$0.75		1-3	1-14
\$8	Am. Type Fdrs. cm\$2.00	Q	1-5	1-14
\$7	Am. Type Fdrs. pf \$1.75	Q	1-5	1-14
\$5	Atch., Top. & S. Fe			
	pf\$2.50	SA	12-30	2-1
\$6	Balt. & Ohio cm \$1.50	Q	1-14	3-1
\$4	Balt. & Ohio pf\$1.00	Q	1-14	3-1
\$6	BklyrManh. Tr. pf.\$1.50	Q	12-31	1-16
\$3	Canada D. G. Alt \$0.75	Q.	12-31	1-16
\$5	Con. G. of N. Y. pf.\$1.25	Q	12-30	2-1
\$1	Deme Mines\$0.25	Q	12-31	1-20
\$6	Firestone Tire cm\$1.50	Q	1-10	1-20
_	Firestone Tire cm\$2.00	EXT	1-8	1-10
\$4	Fox Film Corp \$1.00	Q	12-30	1-16
\$4	Freeport Texas\$1.00	Q	1-4	2-1
_	Freeport Texas\$0.75	EXT	1-4	2-1
\$6	Cen. Motors 6% deb. \$1.50	a	1-9	2-1
\$6	Gen. Motors 6% pf. \$1.50	Q	1-9	2-1
\$7	Gon. Motors 7% pf. \$1.75	Q.	1-9	2-1
\$3	Gold Dust cm\$0.75	Q	1-17	2-1
84	Kayser, Julius, cm \$1.00	Q.	1-16	2-1
\$3	Magma Copper\$0.75	Q	12-30	1-17
\$6	Nat'l Biscuit cm\$1.50	Q	12-31	1-14
	Nat'l Cash Register . \$0.75		12-30	1-15
88	N. Y. Central R. R. \$2.00	Q	12-30	2-1
	Northern Pacific\$1.25	Q.	12-30	2-1
	Otis Elevator cm\$1.50	Q.	12-31	1-16
\$6	Otis Elevator pf\$1.50	Q.	12-31	1-16
	Peoples Gas Lt. & C\$2.00	Q	1-3	1-17
	Southern Ry. cm\$2.00	Q	1.3	2-1
	St. Gas & Elec. cm. \$0.87	½ Q	12-31	1-25
	West. E. & M. cm\$1.00	Q	12-30	1-31
\$4	West, E. & M. pf \$1.00	0	12-30	1.16

PRACTICAL POINTERS FOR THE PROSPECTIVE HOME BUILDER

(Continued from page 439)

yet livable. Screens, shades, weatherstripping, grading, shrubbery and trees, and a host of other things enter that you didn't dream of.

Even though these expenses are somewhat intangible while planning the operation, adequate provisions should be made for them in the financial planning.

The construction of the house is the final step in this development. On this depends the ultimate satisfaction of the home owner. Whether buying or building the principles of good construction should be studied from houses in vari-

ous stages of building.

Build well. Operation builders will sacrifice twenty years of a house's life to save twenty dollars. The difference between the good and the shoddy in a house is only a few hundred dollars. The first thing dependent on good building is maintenance costs. Build to keep this low. My present house was built with this specifically in mind. Maintenance and repairs on this will not average me twenty-five dollars a year for the next ten years. The second thing dependent on it is the resale value. A shoddily built house quickly locks "second hand" and sells badly.

The first point about a house is this—it should please the owner, the second point of importance is that it should please others or that it will sell. To sell well, a house should be beautiful. Go into a furniture store and price two tables, probably of equal manufacturing cost but of varying beauty. The price of the more beautiful will probably be double that of the other. Build this principle into your home whenever possible and you will have an excellent insurance policy for value.

My final suggestion is this, put an unlimited amount of study into your new home. It can be attained without this—but the study pays. I do not believe that I stretch the point in saying that I have studied each house that I built a year before commencing.

Important Corporation Meetings

		0
Company	Specification	Date of Meeting
Associated Oil	Directors	1-3
Loose-Wiles Biscuit	Directors	1-3
Oppenheim Collins		1-3
Timken Roller Bearing		1-3
Western Pacific R.R		1-3
Eureka Vacuum Cleaner	Dividend	1-4
Federal Light & Traction.		1-4
Westinghouse Elec. & Mfg	Directors	1-4
Amer. Machine & Foundry		1-5
Magma Copper	Directors	1-5
May Department Stores		1-5
Allis-Chalmers Mfg	Com. Div.	1-6
General American Tank Ca		1-6
Ahumada Lead	Directors	1-10
Cudahy Packing	Annual	1-10
Jewel Tea		1-10
Tenn. Copper & Chemical		1-10
Air Raduction		1-11
New York Central		1-11
Woolworth, F. W		1-11
U. S. Realty & Improvement		1-12
Simms Petrol		1-13

DEC

R

nerand

iter

are

ing ons anthe his the ld-

ion rivill ife

ice

rs. od to as d. ill a

ly

is

cld o

ce

cie b-

der nt n ir it

g

50,000 Shares

Woodworth, Inc.

Convertible Preference Stock, With Common Stock

Preference Stock convertible share for share into Common Stock at any time on or before Dec. 31, 1937

Mr. Ralph H. Aronson summarizes his letter to us as follows:

BUSINESS AND HISTORY: A new corporation is being organized to acquire the business and properties of Woodworth, Inc. The business was established in 1854. The Company is one of the leading producers of high quality cosmetics and perfumes in the United States. Its products, sold under the trade names "Karess," "Viegay" and "Fiancee," have a nation wide distribution in department stores and drug stores. The Company has 13,000 accounts on its books. The business has been built up solely on the quality of its products with practically no advertising. Sales have increased 426% during the past five years. A national advertising program will be inaugurated immediately with a modest beginning.

Approximately 85% of the business of the Company is made up of face powders, lipsticks, compacts, rouges, and creams of various kinds, while the remainder consists of perfumes. The manufacture of cosmetics and perfumes is one of the most rapidly growing industries in the United States. The Government Census of Manufactures reports the value of these products manufactured in 1925 at \$147,392,000, an increase of 477% over 1914.

EARNINGS: Net profits, after the elimination of certain non-recurring charges, averaging \$37,740 per annum, and Federal Income Taxes at current rates, for the four years and eleven months ended November 30, 1927, are as follows:

Year	Net Profit As Above	Per Share Preference Stock	Times Preference Stock Dividends	Per Share Common Stock
1923	\$335,556	\$ 6.71	2.68	\$2.10
1924	379,522	7.59	3.03	2.54
1925	541,485	10.82	4.32	4.16
1926	515,809	10.31	4.12	3.90
1927 (First 11 mos.)	514,346	10.28	4.48	4.00

Such net profits for the eleven months ended November 30, 1927, were \$514,346, equivalent to 4.48 times dividend requirements for the period on the 50,000 shares of Preference Stock presently to be outstanding, and after provision for such dividend requirement, to \$3.40 per share on the 100,000 shares of no par value Common Stock presently to be outstanding.

Net profits as above for the four years and eleven months ended November 30, 1927, averaged \$465,095 per annum, or 3.72 times annual dividend requirements on the Preference Stock presently to be outstanding, and after provision for such dividend requirement, to \$3.40 per share on Common Stock presently to be outstanding.

DIVIDENDS: The Preference Stock will be entitled to cumulative dividends of \$2.50 per share per annum, payable quarterly commencing March 15, 1928. Since January 1, 1924, the Company has distributed over \$1,000,000 in dividends, an average of \$270,000 per year.

PURPOSE OF ISSUE: All of the 50,000 shares of Preference Stock and the 100,000 shares of Common Stock to be presently outstanding, will be issued in connection with the acquisition of the business and property of the existing company. Of the 60,000 additional shares of Common Stock authorized, 50,000 shares will be reserved for the conversion of the Preference Stock and the remaining shares are on option (at prices substantially below the offering price) to individuals (not members of the bankers' organization) who will be associated in the management.

CONVERSION PRIVILEGE: The Preference Stock will be convertible share for share into Common Stock of the Company at any time on or before December 31, 1937. If any share of Preference Stock is redeemed prior to the expiration of the conversion privilege, the holder will be entitled to receive, in addition to the redemption price, a warrant for the purchase of Common Stock as stated in the Certificate of Incorporation.

LISTING: Application will be made to list the Common Stock on the New York Curb Market.

MANAGEMENT: The writer, who has had many years' experience in the cosmetic, perfume and drug businesses, and during the past year has been Vice-President and General Manager of Woodworth, Inc., will be President of the Company. Associated with him as executives will be men thoroughly experienced in the various phases of the business who have been with the Company for many years and have been in large part responsible for building it up to its present important position in the industry.

We offer this stock if, when and as issued and accepted by us, subject to the approval of our Counsel.

Price {1 Share Preference Stock} \$60 and accrued dividend

SHIELDS & COMPANY

The statements presented in this advertisement are obtained from sources which we believe reliable, but are not to be considered representations by us.

BUILDING & LOAN SHARES

ORANGE COUNTY BUILDING AND LOAN ASSOCIATION

BUILDING AND LOAN ASSOCIATION
Operating strictly under State Supervision
and on the mutual plan
The assets of the Association have grown from
the original investment of \$11,000.00 on July 1,
1921, to \$3,398,124.55 at the close of business on
June 30th, 1927, according to the certificate of
examination issued by the State Building and
Loan Examiner. During the six years of existence there has been paid out in cash dividends
the sum of \$522,736.54 to approximately three
thousand stockholders. On June 30th, 1927, the
stock in the Association subscribed and outstanding amounted to \$5,714,846.43.

Shares for sale at par. \$100 per share, without

Shares for sale at par, \$100 per share, without bonus or commission of any kind. Our shares have always paid 8%, payable semi-annually, on January 1st and July 1st of each year.

Write for our booklet: "8% and Safety" Orange County Building and Loan Association Orlando, Florida

Texas

The Investor SELECTS!
He does not merely Buy

Southland Investment Certificates

(Dividends Pavable January and July)

There is no substitute for safety. No hope or promise of high yield can outweigh the socurity of your capital. Building and loan is the best and safest investment in modern form. If your local association cannot accept your funds write for our folder "Dividends and Safety" and financial statements. cial statement.

SOUTHLAND BUILDING & LOAN ASSOCIATION

G. A. McGregor, V-Pres. and Secy. 1204 Main St. Dallas, Texas

Alabama

8% on Monthly Savings 8% on Fully Paid Certificates

in amounts from \$50.00 to \$5,000.00 withdrawable on thirty days' notice. Secured by First Mortgages on Homes not to exceed 60% of valu-

ALABAMA MUTUAL BLDG. & LOAN ASSOCIATION

2012 Fourth Avenue, Birmington, Ala. Under Supervision State Banking Dept .-

Oklahoma

Invest Your Earnings At First Real Estate Loans State Supervision Tax Exempt Details Free Industrial Bldg. & Loan Assn 26 W. 5th Street Tulsa, Okla

INSURANCE-THRIFT PLANS MAKE SAVINGS COMPULSORY

(Continued from page 441)

them accumulate a definite sum of And in money over a period of years. case of both of them, should the insured die, the beneficiary at once receives the full amount of the intended Yet, note the difference in death benefit in the attached schedules. By the tenth year, the beneficiary would receive almost double what the endowment policy would pay.

To understand the reason for this

discrepancy one must compare the "cash value" columns. The effect of these cash values is only felt when cancelling the policy and withdrawing the funds. In case of death, however, these cash values have no value at all and the policy with the low cash value pays as much as the one with a high cash value, if the face amount of insurance is the same.

This to be sure is the outstanding advantage of the thrift plan over the endowment policy. But there are also others.

The thrift plan is paid for monthly; the endowment insurance premium is payable in advance for the full year. If paid semi-annually or quarterly, interest is added. The thrift plan has first year withdrawal values; the other has not. At the end of the 10 years when you collect the endowment policy, you have no more insurance. Should you desire to renew your insurance you must be an insurable risk and you must pay the rate at the attained age. Under the thrift plan you can withdraw your bank balance, and maintain the insurance policy paying the premiums at the original age.

The question now arises, granting that the idea is a good one, is it necessary to buy a "ready made" plan? Could not the insured do all this himself? Buy the insurance himself and

choose the method of saving himself? The answer is "yes." And furthermore there are distinct advantages in arranging this combination personally. These may be summarized as follows:

(1) You can choose the life insurance company you desire-one that has a low net cost.

(2) You can invest your money in a building and loan society at a higher rate of interest than afforded by any of the thrift plans.

You save the service fee, usually 1/2 % from the income and also the thrift fee of about \$20 usually charged in case of discontinuance of the plan.

(4) Your money need never be idle, as it is in case of those thrift plans where \$100 must be accumulated with which to buy 1st mortgage certificates.

(5) In case of withdrawal you can arrange to get cash, whereas under some of these plans, you obtain mortgage certificates that are not readily marketable.

There is but one disadvantage to arranging one of these plans personally instead of using a "ready made" plan. That is a psychological one—"Will you do it?" Human beings are naturally lazy and neglectful and satisfy themselves with mere intentions. therefore often wiser to buy a "ready made" plan.
But in doing so, one can at least be

careful and choose one that is more satisfactory than others.

It is well, therefore, to take the fellowing precautions in buying one of these thrift plans.

(1) Know with whom you are making the contract and be satisfied that the various parties to the contract are absolutely reliable.

saf

divid We de

All s

divid

Me

Membe

MA

SEI

Au

HC

Shor years and a reser

ISSIIE

Th

1510

(2) Make sure that should you desire to withdraw, you will not be limited in any way as to receiving cash or its equivalent as to various unnecessary fees.

(3) Talk to an officer of the bank acting as depository and let him confirm the statements made by the salesman.

(4) Above all, understand the plan thoroughly before going into it. Know what your insurance will cost and what your net balance will earn.

Entering the plan with open eyes, there is no reason why you should ever regret it. In fact, you will be very thankful to yourself after the stated period has ended and you have accumulated an ample fund for the purpose you intended.

HAVE OIL SHARES SEEN THEIR "BOTTOM"?

(Continued from page 418)

far this year, although not up to par with their 1926 earnings.

This discriminatory grouping of the companies is substantiated by the preliminary reports covering six months' and nine months' operations which are now available for study. Even the preliminary reports while they disclose this tendency in earnings, do not tell the whole story. All of the companies (producer, refiner and distributor alike) are carrying a tremendous supply of both crude and refined products which at present price levels represent a substantial paper loss. And the poor current earnings will be even worse after inventory losses are written of in the income statements for the full year.

But the petroleum industry, while its current condition is undeniably very weak, is, nevertheless, fundamentally sound. For in spite of the severe depression into which the industry has fallen, the markets for all petroleum (Please turn to page 476)



not

ar-

ally olan.

you

ally

ieni-

ady t be ore

folof

ing

that ract

sire

im-

ing

ari-

act-

011-

the

lan it.

vill

nce

es, ver

ery

ted

ac-

11'-

IR

he ·e-

1S

re

is

he

es

or

nt

or

ff

ts

Building & Loan Associations

We will be glad to answer questions regarding the protection afforded to investors in Building & Loan Associations by the laws and regulations of the states in which they are located, Address Building & Loan Ass'n Dept., c/o The Magazine of Wall Street, 42 Broadway, New York City



Florida

New Jersey

This Company has the proud record of not having lost a dollar, not having foreclosed a mortgage, has always met withdrawals on demand and has always paid 8 per cent dividends, payable 2 per cent, quarterly. We do not employ solicitors nor charge a membership fee on investments with us.

meinbership fee on investments with us. All stock is non-assessable and is sold at and redeemed at par plus earned dividends.

Member "League of Florida Building and Loan Association" Member "U. S. League of Local Building and Loan Associations"

Member "American Savings, Building and Loan Institute"

ARRIL 5, 1921, \$0.00
MCH. 31, 1922, \$147,608.20
MCH. 31, 1923, \$272,463.58
MARCH 31, 1924, \$500,130.44
MARCH 31, 1925, \$750,097.74
MARCH 31, 1926, \$1,208,168.28
SEPT. 30, 1927, \$1,810,083.11

Authorized Capital \$5,000,000

Application for loans far exceed our available funds. We respectfully solicit your investments.

HOME BUILDING & LOAN COMPANY

Under State Supervision

16 and 18 Laura Street, Jacksonville, Fla. Phone 5-6025

Colorado

GUARANTEED INCOME

Payable Either Quarterly or Semi-Annually

Short-term full-paid certificates maturing in five years. Secured by first mertgages on homes in and around Denver plus a conservative contingent reserve fund and rigid state supervision. Issued in units of \$50 to \$5,000.

Interest to \$300 exempt from Federal income tax.

Write for booklet MW

THE OLD CONSERVATIVE The Bankers Bldg. & Loan Ass'n.

1510 Glenarm St.

Denver, Colo.

Member Colorado State League and United States League of Building and Loan Associations The Colorado Bankers' Association. The Magazine of Wall Street rated Colorado Bldg, & Loan Ass'ns "A"

Texas

NON-TAXABLE INVESTMENTS

Under State Supervision. In-terest payable quarterly in cash.

TEXAS PLAINS BLDG. LOAN ASSOCIATION 107 West Sixth Street AMARILLO, TEXAS

New Jersey

Dividends for the past 4 years of

Within the past year, dividends and interest on seasoned bonds have been generally lower than for five years before.

Investors have had to seek not only more warily, but for investment opportunities that yielded even a fairly good rate.

The West End B. & L. Association has paid dividends of 7% for the past four years—has remained safe and sound as ever; with ever rising assets . . . now \$37,000,000.

Write for booklet

THE WEST END **BUILDING & LOAN ASSOCIATION** OF NEWARK, N. J.

866-868 BROAD ST.

NEWARK, N.J.

Assets over \$37,000,000. Under the supervision of the Department of Banking and Insurance of the State of New Jersey

Colorado

Colorado's Largest permanent Capital Assn

s our large permanent capital. Un-te supervision. Write for folder "C".

The SILVER STATE

Building and Loan Association
1648 WELTON ST.

Colorado State and United States Bidg and Loan TON ST. Members DENVER, C do Seate and United States Birls and Loan Leagues and Colo. Bankers Asso.

Florida

ONE OF

Florida's Safest Investments

Shares in the

Lakeland Building & Loan Association

ASSETS

More than\$900,000.00

We have never failed to more than earn and pay our dividend which is payable 2% quarterly January 1st, April 1st, July 1st and October 1st of each year. Your investment is secured by first mortgages on homes only. We have shareholders in nearly every state. Write for descriptive literature. Incorporated 1921.

P. O. Drawer 629 M.-W. FLORIDA

LAKELAND

DECEMBER 31, 1927

products are strong in every respect except price. Gasoline sales, which represent the largest source of oil company's profits, are growing in volume at a very satisfactory rate and in all probability will continue to expand at a rate close to the ten per cent annual growth experienced in past years. Fortunately, the consumption of kerosene and lubricants and especially gas and fuel oils is absorbing a sufficient volume of crude to prevent absolute chaos in the producing end of the business. The efficiency standard to which the refining division has been raised in recent years will stand it in especially favorable stead when production and the markets resume their normal state of balance.

The year 1927 has ended with something like 550 million barrels of crude oil and refined products in storage, which will prevent any satisfactory restoration of prices for at least the first half of the new year unless miracles occur in the producing division of the industry in the meantime. This is a record figure for surface supplies and represents additions of about 75 million barrels to a previous state of generous stocks on hand. Psychologically the petroleum industry is in a much more favorable position than it is statistically. The leaders in the oil business fully appreciate the seriousness of the present state of things and have made progress in their efforts to curtail production to an extent undreamed of a few years ago. While only partially successful, the drilling restrictions in the Seminole and more recent agreements in the West Texas district are the only favorable contributions of the year 1927 to the petroleum industry.

The outlook for the oil securities is not as unfavorable as the outlook for the industry, which might seem to be damning these issues with faint praise but is, nevertheless, a fact. Somewhere in the future there will be a real old fashioned "oil stock boom" which is rendered none the less of a reality because it is not in the immediate future. At the moment, petroleum securities are hovering near their low points for the past two years, except for the shares of a few of the large refining companies. Whereas the oil industry may have not yet seen its worst days, it seems quite probable that the shares of the leading companies are about as low as the inherent appetite of the public for oil stocks will permit them to go. In fact this potential buying power for oil stocks which comes into the market on the slightest indication of improvement is an important stock market factor. Its influence has already been witnessed in a "false start" that the oil shares took in the late summer and the "premium" at which the better oil stocks are now selling in comparison with the market performance of the oil stocks as a group.

In the early summer of 1927 THE MAGAZINE OF WALL STREET took a bold position relative to the oil shares and advised its readers not to sacrifice the good oil issues because of the clouds that appeared in the industry's horizon and the discouraging performance of

the oil shares in the market. Since that time the shares have more than held their ground as a group and, although "the worst" has since occurred in the industry, we see no reason to alter our position at this time. Individual comment on the most important oil shares appears in tabular form on page 419.

EFFECT OF GOLD EXPORTS ON MONEY, BUSINESS AND SECURITIES

(Continued from page 413)

and business question in the form: What would be the effect upon our business and finance of our losing specified amounts of gold?

In answering this query we need first of all to ascertain what our gold supply is. Secretary Mellon, as we have seen, estimates it as approximately \$4,-500,000,000, and of this sum, the gold on hand with the Federal reserve banks may be stated in round numbers as \$3,000,000,000 or roughly speaking two-thirds of the total. So far as reserve banks are concerned, they could easily ship some hundreds of millions of gold without in any way altering their daily operations or responsibilities in any fashion other than the change in their "ratio of reserve." They have a very large lending or discounting power which is unused, and which some authorities have computed at many times the amount of accommodation now outstanding on their books. Just how much they "could" grant in this fashion would depend of course entirely upon the kind of paper that was brought to them for discount and the policy that they were disposed to pursue in admitting it to rediscount.

The trouble, of course, with this kind of reasoning is that, as is so often the case, it treats the Federal Reserve Banks as if they were an entirely separate and independent set of institutions. As a matter of fact, they represent the other banks, hold their money, and have in charge the reserves of the entire country.

At the present moment the combined national banks of the country have on their books demand deposits subject to check amounting to about \$10,000,000,-000, while the entire banking system of the country has demand deposits amounting to about \$24,000,000,000 with savings deposits of \$27,000,000,000 more or a total of \$51,000,000,000. Roughly speaking, demand deposits have doubled since the war. Of course this shows how far the reserve which is being carried by the reserve banks and which must be regarded as protection for the entire outstanding deposits of the country is adequate. The banks themselves have on hand in their vaults not much more than \$35,000,000 in gold. Their reserve is with the Federal reserve banks. So, if we should begin "losing" gold or in other words shipping it out of the country, it may

be expected that the bankers of the nation would want to have the flow controlled or restricted to such an extent as would seem to be consistent with safety.

exp

WOI

cat

ere

abs

ere

has

cur

cus

kin

foli

me

tha

of o

i. e

to :

ing

per

buy

wis

lar

for

spo

cre

and

sor

pro

the

mo

lar

bu

eff

ab

fer

tra

ma

evi

ma

a

an

bu

en

he.

pla

to

to

ar

be

wl

cr

an

sh

to

un

th

wl

se

ce

of

an

tr

in

1.6

There is, as is well known, already a very widespread demand for the raising of the rate of discount particularly in the west and southwest. Such an advance could hardly be avoided if any considerable outflow of gold were to take place. Our total shipments of gold since November 1 of this year have been approximately \$100,000,000. Assuming that, in ordinary circumstances, a dollar of gold in the United States results in a possibility of maintaining about \$10 of deposits on the books of banks, the shipment of \$100,000,000 of gold appears to mean a reduction in credit sustaining power of about \$1,-000,000,000.

If England (or any other country) were to ask us for a sum equal to the total of the gold credit which Great Britain negotiated here at the opening of her gold standard movement (\$300,-000,000) and if we were to ship that amount we should be sending the gold ordinarily held in reserve against about \$3,000,000,000 bank of credit in the form of deposits. Such restraint as might be imposed upon this movement (if any) by raising the rate of discount at reserve banks or by raising the rate at member banks would of course have the effect of cutting down the amount of credit actually on the books of banks. If no such restraint be imposed it will come more slowly but quite as certainly by individual bank action.

So we may sum up the situation by

saying that while we can theoretically send abroad a great deal of gold if we want to, we must stand ready to pay the expense of so doing by curtailing the amount of credit we grant at banks We "can" do pretty much anything we want to in the way of gold shipments, if we remember that whatever we do do, we "must" pay for in reduced credits. This, moreover, is not a matter over which the Federal reserve banks have any permanent control whatever. If the banking public, and the community generally, feels that conditions are such that rates ought to move up they will move up, and credit will be shortened. The reserve banks may stand ready to discount or may buy bills and Treasury certificates more largely, at the same time they are shipping gold but they cannot be expected to produce the effect that some assertthat of neutralizing the effect of gold shipments. That effect is automatic. If it were not so, the gold standard would not be the gold standard. Banking methods can never "offset gold movements" nor create a situation which is the same as if they had not occurred. All that they can do is to smooth out or relieve the effects to be expected from them. Their influence, whatever it be, is temporary and is quickly lost when the expected gold reaches its destination, and is set at work in foreign

markets whence its influence is re-

flected here in changed conditions of

finance and trade.

Results of Reduction of Credit

the naw con-

extent t with

eady a

e rais-

eularly

ch an

if any ere to its of

r have

ances,

States

aining

ks of

000 of

on in

t \$1,-

ntry)

o the

Great

ening

\$300,-

that

gold

about the

it as

ment

count

rate

have

nt of

anks.

will

ainly

n by

ally

we

pay ling

nka

we.

nts,

do

iced

nat-

rve

trol

and

hat

t to

edit

nks

av

ore

ted

blo

tie.

ve-

15

ad.

ed er

st

g-

of

T

As-

When we say that the effect to be expected from a large gold movement would thus be eventually a raising of cates at reserve banks, a prompter increase elsewhere, with consequent tightening of credit, we have more than an abstract situation before us. What credit would be tightened? Experience has shown that loans on collateral security (brokers' loans and others) short term loans made by banks to liquid customers and other paper of the same kind are the items in the bank portfolios that are first affected by curtailments of credit of the kind referred to.

Another effect that is common is that of inducing persons who in times of expansion have "money in the bank," i. e., are able to obtain credit at banks, to refrain from buying as they do during the flush period. In our case, such persons would probably refrain from buying bonds as freely as they otherwise would and they would be particularly likely to diminish their purchases of foreign bonds. The tendency, there-fore, of such a gold outflow as we have spoken of would be to cut off short term credit loans on collateral, brokers' loans and bond buying. Such a situation would result perhaps in a more wholesome stock market situation but the process of readjustment would to say the least be painful if not something more than that. The reserve banks might inflate credit to afford a basis of larger market loans as they often have, but this would be only temporary in effect. As soon as market conditions abroad felt the effect of the gold transfer our trade and exchange would transfer it back here. As to the ultimate effect on business that might be even more serious than on the stock market.

By no means, however, should we assume that such readjustments toward a lower level of prices in the market and a lower volume of production or business as will come from gold shipnents would not be desirable. That is entirely another question. The point to bear in mind here is that the "larger plan" of shipping gold abroad referred to by Secretary Mellon points directly toward a readjustment in business of this kind.

That Secretary Mellon and those who are responsible for the "larger plan" believe that they can put it into effect while still maintaining the inflated credit situation of the United States and so neutralizing the effect of gold shipments, is very probable. It is not likely that mere philanthropic regard for Great Britain would prompt them to pull the present props out from under the business structure. But even the layman is permitted to wonder whether either the Treasury, the Reserve system or anybody else can successfully run counter to the experience of the past in connection with banking and money in practically every country. Belief that, as one current banking commentator has expressed it, "The reserve banks are able to protect the market against stringency resulting

TOBACCO PRODUCTS CORPORATION

Common Stock Dividend No. 37

THE directors of Tobacco Products Corporation at a meeting held today, declared a quarterly dividend upon its common stock of one-tenth of a share of common stock of United Cigar Stores Company of America \$10 par value, (or 10 shares for each 100 shares held), pay-able in Dividend Certificates which will mature three years from the date of issue, and which will entitle the holders to receive at maturity such common stock of United Cigar Stores Company of America.

Prior to the payment of this dividend, the corporation will deposit with the Guaranty Trust Company of New York as Trustee, sufficient common stock of United Cigar Stores Company of America representing the total amount of this dividend and such Dividend Certificates will be issued by the Guaranty Trust Company of New York against the stock so deposited.

The corporation has also arranged with the Guaranty Trust Company of New York to purchase these dividend Certificates up to March 15, 1928, at the rate of \$25 for each full share of United Cigar Stores Company of America common stock represented thereby. This will enable the holder of one share of common stock of Tobacco Products Corporation to receive \$2.50 in cash immediately, or at the annual rate of \$10 per share on his

Stockholders accordingly have the option either of selling their Dividend Certificates at the rate mentioned, or holding them to maturity and receiv-ing the shares of common stock of United Cigar Stores Company of America represented thereby.

The Guaranty Trust Company of New York will distribute annually in cash pro rata to the holders of Dividend Certificates all of the income by way of dividends received by it from the common stock of United Cigar Stores Company of America so deposited under the said agreement.

Immediate application will be made by the corporation to list said Dividend Certificates on the New York Stock Exchange.

The dividend is payable on January 16, 1928, to stockholders of record December 30, 1927. The Dividend Certificates will be mailed to all stockholders.

GEORGE WATTLEY.

Treasurer.

Dated December 19, 1927

NEW YORK, N. Y. **DECEMBER 20, 1927**

KEEP POSTED

A BUSINESS REGISTER

There have been many "social registers" to tell who the leaders of society are and their club and social affiliations, but now comes a new publication—Poor's Register of Directors of the United States—telling who the really important business men of the nation are and all the businesses with which each is affiliated. It lists over 60,000 names, both alphabetically and by city and state, and in addition to business affiliations gives both business and residence address. The Register is a joint product of Poor's Publishing Company and The Corporation Trust Company, the latter (at 120 Broadway, New York) having charge of distribution.

Pacific Gas and Electric Company

Dividend Notice

Common Stock Dividend

A regular quarterly cash dividend, for the three months' period ending December 31, 1927, equal to 2% of its par value (being at the rate of 8% per annum), will be paid upon the Company by check on January 16, 1928, to shareholders of record at the close of business on December 31, 1927. The Transfer Books will not be closed.

D. H. FOOT

D. H. FOOTE.

San Francisco, California.



The courage and determination of our fore-fathers made possible our present National well-being. Thrift and the continuous pur-chase of sound securities will make possible for the provident, monetary independence in their declining years.

Our current offerings of First Mortgage Bonds yield 6% to 6½% income Some issues carry tax-free features. Denominations: \$1000, \$500, \$100.

The time-tested safeguards to which this or-ganization so rigidly adheres for the protec-tion of its investors' principal and interest, like Independence Hall, inspire universal confidence.

Let us furnish detailed information concern-ing this House and the sound first mortgage investments it offers.

Ask for Booklet "1-52"

The F. H. SMITH CO.

Jounded 1873

Smith Building, Washington, D.C. 285 Madison Ave., New York City Branch Offices in - Chicago - and Other Cities

Kindly	sen	d without	obliga	tion	your	investr	nent
booklet offer,	and	informatio	on relat	ive to	inve	stments	you
NAME							-

_	 	

KEEP POSTED

"INVESTING FOR SAFETY"-

ADDRESS_

The newest publication of S. W. Straus & Co., 565 Fifth Ave., New York City, describes in detail the methods followed by this organization in underwriting first mortgage real estate bond issues. Send for your free copy 217.

from gold withdrawals" is purely gratuitous. There has been no recent stringency resulting from gold withdrawals because the only gold movements has been out of and into the great stock held in reserve banks, and as Mr. Mellon notes have caused no net loss in three years. They have occurred in most cases as a result of the changes of note policy or the foreign negotiations carried on by the Reserve System, and have been a mere moving of coin back and forth in a kind of financial play. That is not what is now proposed.

Where Our Gold Is Going

Secretary Mellon in his report already referred to has furnished an interesting survey of the distribution of our movements of gold during 1927 as follows:

Gold exports and imports or their equivalent in 1927

[In millions of dollars] Imports or their equivalent:

Expo

Imports from—	
Canada	53
England	39
France	21
Japan	
Holland	
Australia	
Chile	
Mexico	
Other countries	
Purchased abroad	
Total	256
orts or their equivalent:	
Exports to—	
- n .:	-

Argentina Germany Canada Mexico Other countries

Increase in gold earmarked... 131 Total 299

62

Sale of gold held abroad

From this showing it will be noted that omitting the earmarked gold operations in which are merely a bookkeeping transaction and omitting the movements between the United States and countries which merely interchange gold with us (often shipping gold here for refining) the balances are not at all so heavy as appears. The transactions that have taken place have been for the most part arranged by bookkeeping between the different countries or by "earmarking" in very much the same way that the gold settlement fund at Washington takes care of gold settlements between different parts of the country and avoids actual movements. Nobody thinks for a moment that there is likely to be a "stringency" in California because the Federal reserve bank of San Francisco has a reduced balance on the books of the Federal reserve bank in Washington. There is no reason why any such stringency should occur as the result of mere changes in the supply of gold in the reserve banks (and they are the only source of any considerable supply in the United States).

The question at issue in this whole matter is much more difficult than that of supplying a "cushion of credit," or "filling the gap" left by a shipment of gold, or "preventing stringency." All these expressions are based upon the theory that a certain amount of gold or credit has to be kept at a given place or in a given country in order to have business go on and if it is so kept, all will be well. The real issue at stake immediately is whether the movement of gold out of this country and into some other at the present time would or would not result in a local change of attitude on the part of financial houses and banks and money lenders and of similar institutions abroad as a result of which we should have a distinct reorganization of business and a shifting

of prices. If we did not get that immediate result from the movement of gold our failure to do so would be simply deferred for a short time and this postponement would come as the result of a policy of deliberate inflation carried on by the reserve banks for the purpose of offsetting the usual economic effects of gold changes. Before long the changed money market conditions abroad caused by the use of the gold sent across the ocean would reach here. The Reserve banks could not turn back the current of events for long and they would not be able to do it very perfectly even while they were at work. This is the conclusion legitimately to be drawn from past experience of the kind. Such inflation as may be supplied by reserve or centra banks does not moreover take effect upon exactly the same branches of business as those that have been affected through reductions of credit or shrinkages of loans consequent upon altered policy on the part of lenders. Even under the best conditions, serious changes would have to be expected in many places of our credit and price position as the result of the movements in question.

The Effect of Gold Movements

D

Th

sh

po

fe (N St ah re 5. Al

When gold movements occur as the result of changes in business conditions they result in cutting off credit and reducing demand and buying power and so they usually tend to lower prices. When they occur as the result of arbitrary negotiations between central banks the question at issue is whether the commercial banks at large believe that conditions were substantially as they were before or whether they are inclined to alter their lending policy in accordance with altered reserve conditions. They may act on their opinion at once or wait till forced to do so, but act they must. The United States today is on a very low reserve basis. It has a vast amount of gold-far more than its share-and the rest of the world ought to have a part of it. Such a shift should be made; but when made it will result in those serious changes in business conditions and prices which eventually follow in all such instances. They may not come instantly, but they come as soon as economic forces have had time to exert their influences fully. To furnish the amount of gold which England is expected to need may be likely to take away the basis of about \$3,000,000,000 of banking funds. Ultimately this will mean a withdrawal of that amount of credit from some element or elements in the community with corresponding readjustment pains. We must pay the price of the inflation of the past few years, when we begin to cut away its basis. When shall we begin? Are all our arrangements made for meeting the consequences?

Note-We should be glad to receive communications from our readers on the subject contained in the above article and should be glad to publish some of these, whether in agreement with Mr. Willis' ideas or not.

IDEAS SERVICE COMMODITIES

immeent of

e simnd this

result

n caror the eco-Before

t conof the

reach

d not

ts for

to do

were

legiti-

xperi-

ion a

entra effect

es of

n af-

dit or upon

nders.

erious ted in

Drice

ments

s the

itions

d re-

e and rices.

arbi-

ntral

ether

elieve

y as

7 are

cy in

coninion , but s to-It more

the Such

nade

nges

hich

nces. they have ully.

hich r be

hout Ili.i-

l of

ele-

nity ins.

tion egin we

ade

ive

the icle of

Mr.

ET

ts

THE OPPORTUNITY EXCHANGE

A Clearing House For Business Men

MEN **AGENTS** BUSINESS OPPORTUNITIES

Printing

ELITHOGRAPHED LETTERHEADS

\$1.25 per 1000
IN LOTS OF 50,000
25,000 at \$1.50-12,500 at \$1.75 or 6,250 aur Minimum at \$2.25 per 1000
Complete—Delivered in New York
ON OUR 20 LB. WHITE
PABAMOUNT BOND

A Beautiful, Strong, Snappy Sheet HIGHEST GRADE ART WORK AND ENGRAVINGS GEO. MORRISON COMPANY GEO. MORRISON COMPANY
552 West 22nd St. New York City
SEND FOR BOOKLET OF PAPER AND ENGRAVING

Dividends and Interest

DODGE BROTHERS.

The regular quarterly dividend of \$1.75 per share on the Preference Stock of the Corporation has been declared payable January 15, 1928, to stockholders of record at the close of business December 27, 1927.

R. P. FOHEY.

Secretary

American Type Founders Company

Jersey City, N. J., December 14, 1927.

A quarterly dividend (No. 103) of one and three-quarters per cent on the Preferred Stock and a quarterly dividend (No. 120) of two per cent on the Common Stock have this day been declared, payable January 14, 1928, to stockholders of record at the close of business January 5, 1928. Checks mailed by The Bank of America, Transfer Agent, 44 Wall Street, New York City.

WALTER S. MARDER, Secretary.

SEABOARD AIR LINE RAILWAY. Five Per Cent Adjustment Mortgage Gold Bonds.

An installment of interest on Seaboard
Air Line Railway Adjustment Bonds
amounting to 2½% (\$25.00), represented
by August 1, 1925, coupons, Nos. 61 and 62,
for \$12.50 each, has been declared and
will be paid on and after February 1, 1928,
at the office of The New York Trust Company, No. 100 Broadway, New York.
SEABOARD AIR LINE RAILWAY CO.
By F. L. NELLIS, Secretary.
New York, December 20, 1927.

THE WESTERN UNION TELEGRAPH COMPANY

New York, December 13, 1927. DIVIDEND NO. 235

A quarterly dividend of TWO PER CENT has been declared upon the Capital Stock of this Company, payable on January 16, 1928, to stockholders of record at the close of business on December 23, 1927

The transfer books will remain open.
G. K. HUNTINGTON, Treasurer.

MAGMA COPPER COMPANY

A dividend of seventy-five cents per share has been declared on the stock of this Company payable January 17, 1928, to stockholders of record at the close of business on December 30, 1927.

H. E. DODGE, Treasurer.

Dividends

The Baltimore & Ohio Railroad Co.

The Baltimore & Ohio Railroad Co.

OFFICE OF THE SECRETARY

Baltimore, Md. December 14, 1927.

The Board of Directors this day declared, for the three months ending December 31, 1927. fom the net profits of the Company, a lividend of one (1) percent on the Ireferred Stock of the Company.

The Board also declared from the surplus profits of the Company, a dividend of one and one-half (1½) per cent on the Common Stock of the Company.

Both dividends are payable March 1, 1928, to Stockholders of record at the close of business on January 14, 1928.

The transfer books will not close.

C. W. WOOLFORD, Secretary.

Independent Oil and Gas Company,

Tulsa, Oklahoma.

December 10, 1927.

Dividend No. 21

Notice is hereby given that the Directors of this Company, at the regular quarterly meeting held December 10, 1927, declared a cash dividend of 25c per share, payable January 30, 1928, to stockholders of record at the close of business January 16, 1928. Books will not be closed but record only will be taken.

R. M. RIGGINS, Secretary and Treasurer.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY.

A Quarterly Dividend of 2% (\$1.00 per share) on the PREFERRED STOCK of this Company will be paid January 16, 1828.

1928.
A Dividend of 2% (\$1.00 per share) on the COMMON STOCK of this Company for the quarter, ending December 31, 1927, will be paid January 31, 1928.
Both Dividends are payable to Stockholders of record as of December 30, 1927.

H. F. BAETZ, Treasurer.
New York, December 20, 1927.

The New York Central Railroad Co.

New York, December 14, 1927.

A Dividend of Two Dollars (\$2.00) per share on the capital stock of this Company, has been declared payable February 1, 1928, at the office of the General Treasurer, to stockholders of record at the close of business December 30, 1927.

For the Annual Marines Control of the General Treasurer, to stockholders of record at the close of business December 30, 1927.

oru at the close of Dusiness December 30, 1927. For the purpose of the Annual Meeting of Stockholders of this Company, which will be held January 25, 1923, the Stock Transfer Books will be closed at 3 P. M. December 30, 1927, and reopened at 10 A. M. January 26, 1928.

H. G. SNELLING, General Treasurer

LOEW'S INCORPORATED

"Theatres Everywhere"

Theatres Everywhere"

December 12, 1927.
At a meeting held this day the regular quarterly dividend of fifty cents and an extra dividend of one dollar per share were declared on the capital stock of this Company, payable December 31, 1927, to stock holders of record at the close of business on December 20, 1927.

Checks will be mailed.

DAVID BERNSTEIN, Treasurer.

THE UNITED GAS IMPROVEMENT CO. N. W. Cor. Broad and Arch Streets. Philadelphia, Pa., December 14, 1927.

The Directors have this day declared a quarterly dividend of two per cent (\$1.00 per share) on the Capital Stock of this Company, payable January 14, 1928, to stockholders of record at the close of business December 31, 1927. Checks will be mailed. mailed.

I. W. MORRIS, Treasurer.

Dividends

Public Service Corporation of New Jersey

Dividend No. 82 on Common Stock Dividend No. 36 on 8% Cumulative Preferred Stock Dividend No. 20 oa 7% Cumulative Preferred Stock

The Board of Directors of Public Service-Corporation of New Jersey has declared dividends at the rate of 8% per annum on the 8% Cumulative Preferred Stock, being \$2.00 per share; at the rate of 7% per annum on the 7% Cumulative Preferred Stock, being \$1.75 per share; and 50 cents per share on the non par value Common Stock for the quarter ending Dec. 31, 1927. Dividends are payable Dec. 31, 1927, to Stockholders of record at the close of business Dec. 2, 1927.

Dividends on 6% Cumulative Preferred Stockholders on 6% Cumulative Preferred Stockholders.

Dividends on 6% Cumulative Preferred Stock are payable on the last day of each month.

T. W. Van Middlesworth, Treasurer.

Public Service Electric and Gas Company

Dividend No. 14 on 7% Cumulative Preferred Stock Dividend No. 12 on 6% Cumulative Preferred Stock

The Board of Directors of Public Service Electric and Gas Company has declared the regular quarterly dividend on the 7% and 6% Freferred Stock of that Company. Dividends are payable Dec. 31, 1927, to stockholders of record at the close of business Dec. 2, 1927.

T. W. Van Middlesworth, Treasurer.

UNITED VERDE EXTENSION MINING COMPANY

Dividend No. 47

233 Broadway, New York, Dec. 20th, 1927.

The Board of Directors of the United Verde Re-tension Mining Company has this day declared a dividend of fifty cents per share on the out-standing capital stock, payable February 1st. 1928, to stockholders of record at the close of business January 4th, 1928. Stock transfer books do not close.

C. P. SANDS, Treasurer.

BAYUK CIGARS INC.

PHILADELPHIA

PHILADELPHIA

Quarterly dividends of 134% on the First Preferred stock of this corporation; 134% on the Convertible Second Preferred stock, and 2% on the 8% Second Preferred stock have been declared payable January 15, 1928, to stockholders of record at the close of business December 31, 1927. Checks will be mailed.

Harvey L. Hirst, Secretary

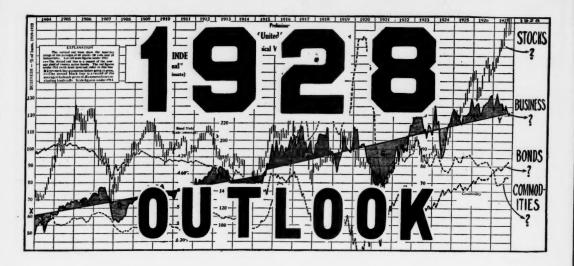
Prescriber 16, 1927.

December 16, 1927.

OTIS ELEVATOR COMPANY

260 Eleventh Ave., N. Y. C. December 14, 1927 A quarterly dividend of \$1.50 per share on the Preferred Stock, and a dividend of \$1.50 per share on the Common Stock will be paid January 16, 1928, to stockholders of record at the close of business December 31, 1927. Checks will be

.C. A. SANFORD, Treasurer



Our forecast of the probable trend of General Business, Stocks and Bonds, Sales, Commodities, and Labor will be of inestimable value to you in determining your policy for 1928.

With a few fundamental facts settled in your mind, the problem of knowing what to do with your investment capital in 1928 will not be so difficult.

In order to increase and protect your capital to the highest degree of efficiency, it is necessary to determine, from careful study, the probable trend of business and securities—months in advance. This study must be based on sound principles that are aged by experience and backed by the knowledge of what to do at the right time.

Twenty-five years' experience—honest unbiased principles—a staff of experienced workers—makes Babson's Reports well worth your serious consideration.

If you would like our information about 1928, gratis, simply fill in and return the coupon below.

Babson's Reports

Babson Park, Mass.

The Largest Statistical Community in America

The	Babson	Statistical Organization	
Div.	18-86	Babson Park, Mass.	

Send me, gratis, and without any obligation, your Outlook for 1928, together with complete information about your Financial Service.

1	Name		
92	Street		
8	CitySta	te	18-86